

密勒氏評論報

THE WEEKLY REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

大正六年六月九日第三種郵便物認可

Entered as Second Class matter, May 1917, at the U. S. Postal Agency, Shanghai, China.

VOLUME XXII

SHANGHAI, CHINA, SATURDAY, SEPTEMBER 23RD, 1922

NUMBER 4

THE WEEKLY REVIEW

Formerly Millard's Review

PUBLISHED AT NO. 4 AVENUE EDWARD VII, SHANGHAI, CHINA,
BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF
THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher
HOLLINGTON K. TONG, Assistant Editor, Peking
MARGARET C. POWELL, Local Editor and Women's Interests
R. B. LIBBY, Financial Editor and Business Manager

CONTRIBUTING EDITORS

C. F. REMER, (America) PETER S. JOWE, (Hankow)
HIN WONG, (Canton)

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TEN DOLLARS (CHINESE
CURRENCY) IN ADVANCE, POSTAGE INCLUDED, IN CHINA AND JAPAN.
IN THE UNITED STATES AND FOREIGN COUNTRIES SEVEN DOLLARS
AND FIFTY CENTS U. S. CURRENCY. REMITTANCE FROM OTHER
COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTER-
NATIONAL MONEY ORDER. ENTERED AS SECOND CLASS MATTER IN
THE AMERICAN, CHINESE, BRITISH AND JAPANESE POST OFFICES AT
SHANGHAI IN MAY, 1917.

Contents

Editorial Paragraphs.....	109
Special Articles	
China Trade Act Now a Law of the United States.....	112
The World Significance of the Changchun Accomplish- ments.....John Hart	113
National Autonomy or Self Determination.....	116
.....Charles P. Barkman	
The Washington Conference and Far East Questions	117
.....Sir John N. Jordan	
China's International Communications.....John Earl Baker	120
Men and Events	132
News from Central China	134
News from South China	138
The Week in the Far East	141
General News Summary.....	143
What the Ships Carry between America and China.....	144
The United States Court for China	144

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING
SHOULD BE ADDRESSED TO THE WEEKLY REVIEW AT 4 AVENUE EDWARD
VII, SHANGHAI, CHINA. SINCE THERE IS AN U. S. POSTAL AGENCY IN
SHANGHAI, AMERICAN DOMESTIC POSTAL CHARGES APPLY BETWEEN
THIS PORT AND ALL PARTS OF THE UNITED STATES U. S. DOMESTIC
MONEY ORDERS MAY BE USED FOR SUBSCRIPTIONS.

AMERICAN OFFICE

WORLD WIDE ADVERTISING CORPORATION

1 West 34th Street, New York City

Telephone: Fitz Roy 5111 Cable Ad.: Scholzem, N. Y.

Orders for advertisements and subscriptions in the United States may
be placed through the New York Office.

WASHINGTON BUREAU

J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

A GROUP OF AMERICANS and Chinese were discussing a trip to a native shrine of considerable historical importance in North China. The shrine is located in a district supposed to be infested by wild animals. The Americans were strangers in China and were asking their Chinese friends about roads and methods of travel. One of the Chinese, an official of considerable rank, urged a postponement of the trip, stating that there might be considerable danger. The American to whom he was talking replied, "We intend to take our rifles along so if the tigers molest us we will kill them." "I wasn't referring to the tigers," said the Chinese official. "The tigers are not so dangerous—I was thinking about the bandits."

THE VISIT OF HON. CLAUDIUS H. HUSTON, assistant Secretary of Commerce of the United States, to China is a source of considerable gratitude to Americans and Chinese generally. Secretary Huston is next to Mr. Hoover, the Secretary of Commerce, and wields much influence in the far reaching plans of Mr. Hoover in extending the commercial interests of the United States overseas. Mr. Huston is a resident of Chattanooga, Tennessee, and a business man of considerable weight. A list of his corporation directorships and banking connections would fill this column; and his visit to China should be of considerable importance in framing future policies of the American government in this part of the world now necessary since the Washington Conference. Secretary Huston is traveling on the U. S. S. *Mojave* and when the party reached Shanghai they had traveled 15,000 miles. They first cruised along the coast of Alaska where they inspected the fishery and sealing grounds. Next they visited several of the Aleutian islands and then sailed for Japan. From Japan they went to Vladivostok and then came on down the coast of Asia to China. From Shanghai the party will go to the Philippines and then to the Straits Settlements, Australia and on home by way of the Mediterranean and Europe. In the party are several scientists from various departments of the government at Washington and their reports upon conditions in this part of the world should be of considerable service to the government and commercial interests generally both at home and in the Far East.

THE SHANTUNG QUESTION should be kept free of petty politics. It is too big an issue to be soiled by contact with petty politics. The present attack that is being made against Dr. C. T. Wang, head of the Chinese delegation in the Shantung Conference and leader in the Shantung rehabilitation move, smacks of petty politics in its advanced stage. Most of the charges, when one gets down to specific cases, seem trivial, while the general charge itself is anything but small. The indictment made by a group of politicians and some of their supporters is, when stripped of its parliamentary and semi-technical phraseology, that Dr. Wang is a traitor who sold his Chinese birthright to the Japanese. Fortunately the allegations are generally not taken very seriously. It is not to be expected that the Chinese people will show such utter lack of appreciation for what outsiders have done to make it possible for them to recover this sacred territory as to make this a political football. In fact such strong public opinion should be created that politicians would not dare attempt to make it such.

THE Japanese Military authorities at Tsingtao on Saturday, September 9 dispatched a force of 300 armed men into the territory across the bay from Tsingtao in an effort to rid the countryside adjacent to the Kiaochow leased territory of armed Chinese bandits who number about 3,000 men, according to reports current in Tsingtao. While the Japanese are taking this action, the Chinese in Tsingtao, merchants as well as officials concerned in the redemption negotiations, are asserting that the Chinese bandits are being secretly armed and financed by the Japanese. A few weeks ago a force of Chinese bandits, disguised as local police entered Tsingtao, rented a motor car and kidnapped a local Chinese millionaire named Liu. He was held for \$50,000 ransom on an island near the coast for several days before the Japanese were able to effect his release, losing several lives in the process. Several days later a Chinese junk loaded with peanut oil was pirated in the Tsingtao harbor and held for several days before the Japanese could locate it, drive the pirates away and effect the release of the boat. Missionaries in the Kiaochow leased area are stating their inability to reopen schools for the autumn term because of the bandit menace. Japanese authorities in Tsingtao stated to the writer this week that they have information showing that more than 200 wealthy Chinese merchants are now being held for ransom in the Shantung area by Chinese pirates and bandits. The Chinese answer this statement by declaring that the bandits are armed and financed by Japanese renegades and that the Japanese obtain a share of the money extracted from wealthy Chinese merchant captives.

THESE are the conflicting stories that the visitor hears in Tsingtao these days when the final negotiations are being held for the restitution of the port to China. An American resident of Tsingtao stated to the writer that he intended to employ private guards for his residence property the day the Japanese troops set sail and General Yui, Japanese commander of the Tsingtao garrison, is reported to have told the Chinese authorities recently that, "You Chinese must maintain strict order and peace in the Kiaochow territory. If you fail to do so we will land troops in Tsingtao in sixteen hours." The Chinese on their part point to the continued presence in Tsingtao of Generals Ma Liang and Chang Shu-yuan, former Anfu leaders, and assert that they are being protected and financed by the

Japanese and that the bandits in the district are under the direct command of these two former Chinese officials. The Japanese authorities state with equal emphasis that they are powerless to stamp out brigandage because the bandits immediately flee to Chinese territory and take refuge in the surrounding mountains. It is also pretty well established that a considerable force of General Chang Tso-ling's soldiers who entered Shantung in the recent civil war in an attempt to get behind Wu Pei-fu's forces are at large in the mountains surrounding Tsingtao and are now operating as highwaymen demanding and exacting tribute from merchants and villagers. A Japanese newspaper man told the writer that brigandage was so prevalent along the Shantung railway that great numbers of Chinese used to come to the railway stations and spend the nights there in order to enjoy the protection of the Japanese railway guards.

THERE is no question but what the brigand menace is the greatest single problem concerned in the final Shantung redemption matter. A prominent Chinese merchant who asserted to the writer that the Japanese were secretly assisting the bandits, also stated in the same interview that wealthy Chinese merchants in Tsingtao were paying a regular tribute to the bandit chieftains in order to obtain protection for their persons and their property. Americans and Europeans residing in Tsingtao are frankly apprehensive of the situation. Japanese business men with millions invested in Shantung province, will naturally see that their interests are protected and few will blame them. Wealthy Chinese merchants and former officials who have taken up their residences in Tsingtao in order to enjoy foreign protection from their political opponents are more or less panic stricken at the coming withdrawal of the friendly foreign protecting force. It is natural that there should be considerable apprehension and uncertainty in Tsingtao at this time. The peaceful withdrawal of the Japanese military forces from Shantung province is an event of historical significance and a friendly action of tremendous import. It is equally desirable from both the Chinese and Japanese standpoints that this withdrawal should be done with no consequent disorder. Shantung has always been a hotbed of political disorder and there are towns along the coast of Shantung where pirating and brigandage have always been recognized professions. These lawless elements naturally will seize upon the present moment of change of authority to cause trouble. It would seem that the Chinese authorities in Peking and in Shantung province should be able to arrange a full and frank cooperation with the Japanese military authorities to see that nothing is done to disrupt the situation at this critical time. Chinese military officials are not generally credited with much patriotism, but it would seem that the present Shantung situation affords an opportunity for a special effort in behalf of province and country. The world is expecting much of China in connection with the redemption of Shantung and a slip now might be disastrous.

THE UNCOMPLETED SECTION, of the Canton-Hankow railway, approximately 300 miles in length, might well be considered the most important section of railway in the world. Completion of this railway probably would do more toward the unification of North and South China than any other single element. When it is consider-

(Continued on page 115)



Hon. Leonidas C. Dyer.

Member of the House of Representatives from Missouri, who sponsored the China Trade Act on behalf of the American Chamber of Commerce of China and commercial interests in America interested in the development of commerce between China and the United States.

China Trade Act Now a Law of the U. S.

THE China Trade Act, a measure providing federal incorporation and certain exemptions from American domestic taxation for American companies doing business in the Republic of China, was ratified by the United States Senate last week and on Tuesday, September 19, received the signature of President Harding.

Those present at the White House at the formal ceremony of signing the bill included Hon. Sao Ke Alfred Sze, Chinese Minister to the United States and Hon. Leonidas C. Dyer, member of the House of Representatives from Missouri, who sponsored the measure on behalf of the American Chamber of Commerce of China and commercial interests generally in the United States interested in the promotion of trade between America and China.

Although tentative regulations putting the law into effect have already been received by Mr. Julean Arnold, American Commercial Attaché, it is not expected that the actual incorporation of companies can be undertaken until the Department of Commerce designates a Registrar of American China companies whose office will probably be located in Shanghai. It is possible however for companies desiring to avail themselves of the law to make application at once to Secretary Hoover of the Department of Commerce at Washington, or to the office of the American Commercial Attaché in China.

Copies of the final enactment have not yet been received in China, but it is thought that the Senate and House conferees report which was published in the *Weekly Review* on July 8 was passed without further change.

The original draft of the China Trade Act was prepared by the American Chamber of Commerce of China in 1918 and was first introduced in both branches of Congress the same year. It did not receive serious attention however until the summer of 1920 when a group of American congressmen and senators visited China and made a personal investigation of the situation confronting the development of American commerce in China and between China and the United States. Hon. L. C. Dyer of the House of Representatives, sponsor of the bill, accompanied the congressional party on the trip through China. In December 1920 the American Chamber at Shanghai sent a delegation to Washington composed of C. L. Seitz of the China Pacific Company and J. B. Powell, editor of the *Weekly Review* and honorary secretary of the Chamber. Both appeared before committees of the Senate and House and gave testimony and Mr. Powell remained in Washington for more than a year working on the measure. The final ratification of the bill was delayed for several months due to the tariff discussions in the Senate which occupied the full time of that body.

The following brief summary of the act applies to the Senate and House conferees report which is thought to be similar to the law which received the signature of President Harding this week:

1.—Federal incorporation under a single set of known regulations. This will eliminate the confusion resulting from the attempt to apply in China under extraterritorial jurisdiction the conflicting corporate regulations of the forty-eight different states, territories and dependencies, none of which were ever intended for foreign trade purposes.

2.—It provides the machinery for co-operation of Chinese and American capital in business and development enterprises with the best possible protection for the interests of both parties that it is possible to obtain under the American form of government.

3.—It attempts to provide equality of taxation for the American firm in China in its competition with firms of other nationality which have been granted similar exemptions by their home governments. The taxation exemption is for companies only upon that part of their business conducted in China including Manchuria, Thibet, Mongolia, the Crown Colony of Hongkong and the province of Macao. The exemption is in proportion to the amount of stock in a China Trade Company which is owned by Americans resident in China or Chinese.

4.—The head office of a China Trade Act corporation must be nominally in the District of Columbia but branch offices may be established at such places as is deemed advisable. Corporations formed under this act must carry the phrase "Fed Inc. U. S. A." after their title.

5.—The Act carries strict provisions covering the issuance of stock and the actual money or equivalent represented. Penalties are provided for violations.

6.—The administration of the Act will be under the Department of Commerce through an officer known as China Trade Act Registrar, the residence of whom will be in China. Appeal from the decisions of the Registrar must be to the Secretary of Commerce in Washington who may affirm, modify or set aside.

7.—Legal actions arising under this Act may be heard in the U. S. Court for China, the Supreme Court of the District of Columbia or any federal district court of the United States.

8.—China Trade Act corporations may be formed by five or more individuals, a majority of whom are American citizens. The president, treasurer or secretary or corresponding officers must also be American citizens.

9.—Tentative Regulations for putting the China Trade Act into effect have already been drafted so there should be no untoward delay after the Act has received the President's signature.

10.—One of the chief benefits to be derived from the Act is that it provides for local control of American business with responsibility upon those American business men in the field who are responsible for the pioneering work. Although Congress reserves the right to alter, amend or repeal the Act, it probably will remain in force until extraterritoriality is abolished at which time all foreign business will automatically come under the control of the Chinese government. The duration of a China Trade Act corporation shall be for a period of twenty-five years but it may be successively extended. A registration fee of G. \$100 will be charged by the Corporation Registrar. It is the purpose of the government to make such fees cover as nearly as possible the cost of operating the office of Registrar. China Trade Act corporations will be subject to the U. S. Federal capital tax of \$1 upon each \$1,000 of capitalisation.

The World Significance of the Changchun Accomplishments

BY JOHN HART

MOSCOW'S struggle at the Changchun Conference to gain in the Far East what she has so far failed to achieve in Europe—recognition or partial recognition from one of the great Powers of the world—lends the conference now being conducted by the representatives of Tokyo on the one hand and the representatives of Soviet Russia and the Far Eastern Republic on the other a world significance which no conference dealing with purely Siberian affairs could ever have. Whether Russia will be able to persuade Japan even to enter into negotiations on such a basis is a question which has not been determined at the time this article is being written.

There is no question but that the representatives of the two conferring nations went to Changchun with totally different views of the scope of the conference. The Foreign Office in Tokyo plainly considered the Changchun conference as no more than a continuation of the discussions carried on at the abortive conference at Dairen, which opened August 26, 1921, and adjourned last spring with nothing accomplished, due, apparently, to the fact that Japan refused absolutely to discuss the withdrawal of her troops from Siberia or even to set a date when such withdrawal would be carried out. Japan's two delegates left for Changchun late last month with instructions to negotiate a general trade agreement with the Far Eastern Republic only, to reach a settlement of the disposition of the Allied war stores in Vladivostok, of the fisheries question and of the Nikolaievsk affair, and, possibly, then to draw up a more detailed trade and commercial agreement with the Chita Government which might include important concessions in Siberia to Japanese business firms, or rather provide for such concessions in the future. It was with this idea in mind that Tokyo agreed to the conference. The Moscow representative was to be present in somewhat the guise of an onlooker and confidential adviser to the Chita delegation and because the Kamchatka fisheries and the Nikolaievsk questions would require a Moscow signature, since they do not come under the jurisdiction of the Far Eastern Republic.

The Russian conception of the conference was and still is quite different. It is far broader. True, a general trade agreement between Chita and Tokyo and the other subjects enumerated above were to be discussed and a solution sought, but they were to constitute only a part of the agenda of the conference and a comparatively minor part from the viewpoint of importance in the future. Moscow hoped through the conference to gain either formal or informal recognition for the Soviet Government from the Government of His Imperial Majesty, the Emperor of Japan.

There must be a reconciliation of aim before the conference can proceed with any definite work. On the opening day, which was Monday, September 4, the Japanese delegation felt that the Russians assumed a belligerent attitude. The presentation and exchange of credentials brought out the fact that Chita had not sent a delegation to Changchun and Moscow an observer, but that Chita's Minister of Foreign Affairs, Mr. J. G. Yanson, and the Moscow

representative, Mr. Adolph Abramovitch Joffe, were equally empowered by both the Chita and Moscow Governments to deal with Tokyo and that Mr. Joffe was the spokesman of this joint delegation. They had full plenipotentiary powers, which the Japanese delegates, Mr. Matsudaira and Mr. Matsushima, did not. The conference, which opened informally at 3 o'clock in the afternoon in the Japanese Consulate General at Changchun, continued until 8 at night with no decision having been reached. The delegates met again on Tuesday and Wednesday without coming to terms as to the status of Mr. Joffe and the agenda for the conference. On Wednesday it was urged by the Japanese that the conference be limited to purely Siberian affairs and that it be conducted between Chita and Tokyo, rather than between a Chita-Moscow and a Tokyo delegation. The Russians then asked that there be a temporary adjournment for two or three days in order that they might communicate with their home Governments regarding such a limitation of the conference.

Answers having been received, the two delegations met again Sunday afternoon, September 9, when the Russians presented their answer. Both Moscow and Chita refused to limit the conference or to alter the status of either Mr. Joffe or Mr. Yanson. A detailed statement was presented which proved disturbing to the Japanese delegates but which was not made public. The Russians had originally contended for open sessions, but had given way to the Japanese, substituting a written and worthless communique, but press representatives in Changchun, of whom there are about 20, later prevailed upon both leading delegates to receive them daily following the close of the session.

In response to the Russian position, the Japanese this time asked for a temporary adjournment to consider the position, which is the point at which the conference stands at the moment of writing. Unquestionably one of the major lines of foreign policy adopted by Tokyo following the Washington Conference is to regain the friendship and confidence of the world, which she has lost through such futile diplomatic blunders as the "Twenty-One Demands" and the continued occupation of Siberia. If this policy is to dominate, Japan will refuse to act toward Russia in any way which may cause antagonism on the part of the nations of Europe, notably of France. It is quite as true that Japan is anxious that the Changchun conference accomplish some definite result. If she withdraws now, her prestige will suffer to some extent and there will be ugly questions for the Government to answer to the people of Japan, who are anxious that the whole Siberian debacle be wiped out and a new start made.

This attitude of the people of Japan toward the conference and toward Russia is more than merely interesting. It is important in its bearing of future Japanese policy. The cry of popular government has long been heard in Japan, and any but the most casual observer in that country must see that, while true popular government is still in the distance, tremendous strides have been made in the hold of public opinion over Government policy. The press is more responsible for this than any other one factor. When the rickisha coolie is seen reading his daily newspaper every morning while waiting for a fare, it must mean that the rickisha coolie is thinking about those subjects discussed in the paper he reads. True the suicide or geisha story gets more of his attention and thought than does the article dealing with Russian relations or the Changchun conference

but these subjects come in for a share of his thought also. The Changchun conference is being "played up" in the press of Japan just now more than any other one subject.

Two of the most influential papers in Japan have announced frankly that they favor recognition of Soviet Russia. Others are more guarded, and still others are unequivocally opposed. Whether the Foreign Office in Tokyo realized or not the part which Mr. Joffe was seeking to play at Changchun, his statements were such that newspaper writers clearly saw his intentions. The *Kokumin*, which may be translated as the Nation, saw it. The *Kokumin* is one of the most conservative and nationalistic of Japanese newspapers, at the same time it is one of the best edited. When a paper of the type of the *Kokumin* takes a stand in favor of recognizing Soviet Russia, it must be given far more weight than when a more liberal or radical paper is concerned.

Discussing the Changchun conference in its issue of September 1, a few days before the conference actually met, the *Kokumin* says: "Whatever may be the outward form of the conference, however, the fact remains that it is virtually a conference between Tokyo and Moscow. At one time, it will be recalled, Japan held Soviet Russia in so much dread that she desired the establishment of a buffer state, and now she consents to discuss problems with Soviet Russia in direct negotiation. This fact indicates that a very marked change has come over the attitude of the Japanese Government toward Soviet Russia. The Russian Revolution affected the international position of Russia but little. She still remains a mighty influence not only in Eastern Europe but in Asia, a fact which is too important to be overlooked.

The attitude of the *Kokumin* is far from being the maudlin sentiments of "a friend of Russia." Rather, it is the clear perception of Russia's still mighty influence in the affairs of the Far East, or perhaps it might be better to put it potential influence.

The *Kokumin* then points out that Russia now desires recognition "so that the way may be opened for the free supply of goods and for the final restoration of the country." If a trade agreement were to be signed at Changchun, the *Kokumin* considers that "it may well be regarded as a virtual recognition of both the Chita and the Moscow Governments by Japan."

This nationalistic paper sees as the two reasons obstructing recognition the difference in the forms of government of the two countries and Japan's regard for the attitude of the other Powers. The first of these is discounted as immaterial, while the *Kokumin* imparts the rather startling information that "it is reassuring to learn that among the members of the Diplomatic Advisory Council (created to offset the power of the Genro) are some who advocate recognition." This may be true, but unfortunately the *Kokumin* is not in a position to speak with authority on this question except, possibly, in the case of one or two individual members.

"In fact," continues the paper, "recognition of Soviet Russia would be the first step in safeguarding Japan's new international position. It is desirable that the Japanese Government take a broad view of the international political situation and decide to recognize Soviet Russia, in defiance of all hostile arguments based on sentimental grounds, with the view to laying down the *Kokumin* policy on a secure basis." It is not necessary, the *Kokumin* believes, to consult the other Powers before deciding Tokyo's

foreign policy, adding: "Japan should consult her own best interests in formulating her Russian policy."

This view of the situation, coming from the source it does, must be taken to represent the idea of the more conservative of the intelligent classes of Japan. The *Chugai Shogyo* evidently voices the Government view of the conference when it says: "What the Japanese delegates at the Changchun Conference must always bear in mind is the fact that it is with the Chita Government mainly that negotiations are held. The Soviet Government may be recognized by the Powers in the near future, but such formal recognition is not ripe yet. Participation in the conference of the Soviet Government is allowed simply for the purpose of expediting the progress of the conference."

None of the Japanese papers are preaching Communism nor the recognition of Communism. They see in the recognition of the Moscow Government not an endorsement of Communistic principles, but merely a return to normal diplomatic relations between two Governments with large interests in the Far East. The *Chuo*, in fact, says that "it will be clear that unless the private property of Japanese subjects is safeguarded, it is impossible for trade relations to be renewed between Japan and the Far Eastern Republic."

The *Osaka Mainichi*, one of the largest and most influential but at the same time most liberal papers in the Japanese Empire, says: "We have no faith in the Communism embraced and upheld by the Soviet Government." The *Mainichi* does, however, advocate recognition of Russia. "We suggest," runs an editorial "to the Japanese Government that it take the definite step of recognizing Soviet Russia or give clear indication of its intentions to take such steps as will lead to such recognition." Emphasizing that this does not mean the embracing of Communism, the paper continues: "It must, however, be remembered that to recognize a Communistic Russia is not to support the Communism practiced by that country, just as the recognition of a republic by a monarchical state does not mean the latter's endorsement of the republicanism of the former. A clear line must be drawn between recognition of a Government and recognition of the political principles it adopts."

The *Osaka Mainichi* is hopeful of the outcome of the Changchun conference, since it sees no complicated problems existing between Japan and Russia such as exist between the nations of Europe and Moscow. Japan's claims against Russia, says the paper, "do not exceed more than Yen 300,000,000. Moreover, it is generally admitted that the new Russia has no territorial ambitions in the Far East such as the monarchical Russia possessed. If there exists no conflict of interests between two nations, they ought to enter into pacific and friendly relations with each other."

The *Mainichi* is correct when it sees no complicated problems existing between Japan and Russia, but it must take into consideration the problems existing between Russia and some of the European nations. Tokyo is too much of a world Power to ignore conditions in Europe. If the recognition of Moscow by Tokyo had no effect other than on Moscow and Tokyo, the problem would be comparatively simple. Tokyo knows this, and undoubtedly her greatest hesitation in dealing with Mr. Joffe comes from international rather than national reasons.

The actual problems, and they are the ones to which Japan would confine the conference, are in

reality but four. They consist of the drawing up of a general trade agreement with Siberia, the disposition of the war stores at Vladivostok, the fisheries question and an indemnity for the Nikolaievsk massacre. The general trade agreement was virtually agreed upon at Dairen but failed because of the occupation of Siberia by Japanese troops. These troops are now being withdrawn, and will all be out of Siberia before the Changchun conference closes unless the conference is brought to a premature end. Therefore, there should be no great difficulty in agreeing on a trade pact. Whether Russia will now be satisfied with this only, however, is another question. Probably she will not, for Russia has advanced since the Dairen conference adjourned last April.

The disposition of the military stores at Vladivostok should also be easily disposed of. There is no reason to believe that Japan wishes to allow these stores to get into the hands of the little group of Whites remaining in Siberia and so cause further bloodshed and disturbances. Either they will be neutralized in some way or turned over to the Far Eastern Republic, to neither of which courses would Chita object. The fisheries question will probably call for more detailed discussions. Japan's rights to Russian coastal fishing are based on the Treaty of Portsmouth, but during the Bolshevik regime in Russia Japan has handled the fisheries in a rather high-handed manner. Her excuse has been that there was no responsible Russian Government to conduct the yearly auction stipulated in the treaty, and therefore it has been necessary for her to act as she saw best in order to protect her own interests. This question, although somewhat knotty and complicated, is amenable to an easy solution. The Nikolaievsk affair is likely to present greater difficulties. It is true that a number of Japanese civilians were massacred there, but a claim for indemnity is certain to bring counter claims from Russia. Nikolaievsk will prove a stumbling block, but in all likelihood it will prove one that can be surmounted. The navigation rights on the Amur and Sungari Rivers and the Chinese Eastern Railway are not expected to come up at Changchun, but to be reserved for a conference in which China will be represented. It is worth noting, however, that the representatives of the Waichiaopu and of President Li Yuan-hung are at present in Changchun.

Thus, it will be seen that if the Changchun conference were confined to purely Siberian questions it would, in all probability, be brought to a speedy and a successful close. But the Russian attitude must be considered. Russia, while she would gain something from the settlement of the above questions, has reached the point where she can demand more or sit back and wait for future developments. Genoa and The Hague, while without definite results, brought Russia a long way down the road that leads to re-entry into the circle of the nations. Russia has found, through the Krassin Trade Agreement with England, that such agreements prove of but little value in actual life. She will not make another such agreement unless she obtains with it more substantial gains in the way of diplomatic recognition. She will not make another such agreement in itself simply because it is not worth the making.

The position of the Soviet Government at home also has a decided bearing on Moscow's stand at Changchun. Quite evidently the major policy of Moscow today is to return to something approaching capitalism, but to return so gradually that the little

group now in power will be able to remain in power. A diplomatic recognition, or near-recognition, of Moscow by Tokyo would advance this policy materially. This is worth far more to the powers that be in Moscow than is the settlement of all Siberian questions, and it is for this that Moscow is playing. A man of Mr. Joffe's calibre and position would never have made the long journey from Moscow to the Far East merely to settle a Siberian trade agreement, the Vladivostok ammunition dump, coastal fisheries and a comparatively small indemnity.

I have tried to present the attitude of the two sides represented at the Changchun conference, something of the nature of the agenda that may or may not come up and the motives underlying both the Russian and Japanese attitudes. Will Mr. Joffe and Mr. Matsudaira, on behalf of their respective Governments, be able to come to some agreement? If the conference is able to weather the storm that has gathered about its actual opening, the answer is probably "Yes." Both Japan and Russia stand to gain at Changchun. Both are willing to make concessions here in order to gain there. It is quite likely that the game of give and take will result in gains for both sides.

Changchun, Manchuria, China, Sept. 18, 1922.

Editorial Paragraphs

(Continued from page 110)

ed that it requires about as long and is almost as costly to travel from Peking to Canton as it is to travel from Shanghai to Japan, the importance of this element may be realized. It is about three thousand miles across the American continent from San Francisco to New York, but the trip may be made comfortably in four and a half days. A few weeks ago an aviator crossed the American continent in twenty-two hours with only one stop for refuelling. The ease of traveling from the Atlantic to the Pacific coasts of the United States causes a constant flow of travelers from one section to the other. Had it not been for the trans-continental railroads in America, the Pacific coast probably would never have been incorporated into the American union. When the American railroads were built, costs were not considered. Get the job done was the idea and the roads were driven across the desert, over the mountains and through the forests until the job was completed. Thus a continent was conquered and a nation welded into a political and economic unit. Owing to the difficulties and costs of travel comparatively few Cantonese ever visit Peking and fewer residents of North China travel to Canton. The result is a lack of understanding and suspicion that is disastrous to the country. The Canton-Hankow railway was originally an American concession, but lack of foresight caused the American bankers to dispose of their interests. This embarrassed the Chinese a great deal and has embarrassed Americans ever since. Now that Americans are beginning to take a renewed interest in commercial and industrial affairs in China, it would seem that some method of cooperation might be worked out for the completion of this line. The uncompleted section is through a mountainous country and the cost would be considerable, but there are political considerations of vital import at stake and it would seem that some method might be worked out so that work could be started on this road. There are enough soldiers in the country south of the Yangtsze river to provide sufficient labor for constructing this road if they could be put to work.

National Autonomy or Self Determination

BY CHARLES P. BARKMAN

III.

NATIONAL autonomy is the right of a people to determine its own governmental institutions. Popularly defined, it is the doctrine that "people who speak the same language and have the same historic traditions shall live together in a state which they themselves have established."

The phrase, "self determination," has had a short life but a far reaching influence. In his address to Congress, January 22, 1917, President Wilson said: "No peace can last or ought to last, which does not recognize and accept the principle that governments derive all their just powers from the consent of the governed." On April 10, 1917, the Russian Government under Kerensky stated, "Free Russia does not aim at dominating other nations. . . . Its object is to establish a durable peace on the basis of the rights of nations to decide their own destiny." This declaration was recast into a political formula expressed in a convenient Russian phrase for "self determination."

Again, on February 11, 1918, in a speech before Congress in which he defined his Fourteen Points, President Wilson said, "Self determination is not a mere phrase; it is an imperative principle of action which statesmen will henceforth ignore at their peril." These are fine phrases expressing high ideals, but, as the Supreme War Council at the Paris Peace Conference learned, they are exceedingly difficult to realize in practice in a vast heterogeneous racial "crazy-quilt" such as that of the former Austria-Hungarian and Russian Empires, and the Balkan peninsula. In trying to realize the ideal in practice, one racial group is elevated, while another is subordinated; what is political meat for one, becomes political poison for another, until statesmen and diplomats are heard to exclaim, "Where are we 'at'?"

How shall nationality be determined? By racial origin? But most of the nations of Europe are so mixed and uncertain that we are able to find little assistance here. Shall we resort to the language test? But where shall we draw the line between a language and a dialect? Shall historical possession enter in? Surely we cannot dispossess peoples of their homes and their lands. But this would end in intricate and endless negotiations. After all, is not the solution to be found in a mass consciousness? Shall we not ask—not what a people are—but, what do they think they are? Without a mass consciousness they can never be a nation with any appreciable enthusiasm and loyalty; with it, the whole land is filled with a spirit of unity and patriotism. Fortunately for China, on the basis of the foregoing criteria, she is a nation. In general, she is unified as to race; as to language, this is one of her advantages over Europe; none will dispute her historical possession; and as to social solidarity, none perhaps surpasses her.

Mr. H. G. Wells in his Outline of History (Chapter XXXVII) shows how the Congress of Vienna in 1815, in trying to iron out the map of Europe after Napoleon's escapades, left a political heritage of confusion and disaffection for succeeding generations down to the World War. He says: "It lumped together the Protestant Dutch with the French-speaking Catholics of the old Spanish (Austrian) Netherlands. . . . It handed over not merely the old republic of Venice, but all of North Italy as far as Milan to the German-speaking Austrians. French-speaking Savoy it combined with pieces of Italy to restore the Kingdom of Sardinia. Austria

and Hungary, already a sufficiently explosive mixture of discordant nationalities, Germans, Hungarians, Czecho-slovaks, Jugo-slavs, Rumanians, and now Italians, was made still more impossible by confirming Austria's Polish acquisitions of 1772 and 1795. The Polish people, being Catholic and republican-spirited, were chiefly given over to the less civilized rule of the Greek-orthodox Tsar. . . . The Tsar was also confirmed in his acquisition of the entirely alien Finns. . . . Here was a crazy tangle, an outrage on the common sense of mankind, a preposterous disregard of the fact that the people who talk German and base their ideas on German literature, the people who talk Italian and base their ideas on Italian literature, and the people who talk Polish and base their ideas on Polish literature, will all be far better off and most helpful and least obnoxious to the rest of mankind if they conduct their own affairs in their own idiom within the ring-fence of their own speech."

Mr. Wells then goes on to say that there is a "natural and necessary political map of the world" which "insists on itself" and "heaves and frets beneath the artificial political map like some misfitted giant."

He then presents a "natural political map of Europe" which is almost identical with the map presented by Mr. Wilson to the Supreme Council at Paris. The Russians, Poles, Ukrainians, Czechs, Slavs, Bulgars, Albanians, etc., divided into three great racial groups, Latins, Teutons, and Slavs—twenty-six different peoples in all—being recognized in their nationalistic yearnings. One notable point of variance between Mr. Wells' map and that of the Powers at Paris, is the disposition of the German peoples. Mr. Wells unites all the Germans of Central Europe into one nation. The German National Assembly and the Austrian National Assembly which had just formally declared their nations republics, each invited the other to unite into a great German republic. But the Peace Conference thought it inadvisable to see a united German nation stretching through central Europe from the North Sea to the Adriatic. Here, then, political expediency entered in to overreach the principle and set it aside.

In granting autonomy to a group of people, great difficulty is met in determining how to dispose of the minority. According to the *Eastern European Review*, 28 percent of the inhabitants of Latvia are not Letts; 30 percent of the inhabitants of White Russia are not White Russians. Likewise, the minority of the Ukraine is 28 percent; of Azerbaidjan, Georgia, and Armenia, each 25 percent. Mr. Wells points out twelve regions of Europe where considerable minorities are to be found. He proposes to solve the problem by giving all such regions a cantonal system of government such as that of Switzerland where French, Germans, and Italians dwell harmoniously together. In each treaty of peace drawn up between the Paris Peace Conference and the new autonomous nations, special provision was made for the protection of the rights and privileges of the minority peoples within the bounds of the new states.

Thus it will be seen the problem is a large one demanding statesmanship, historical knowledge, and sympathy if any solution is to be a permanent one. We may ask, "Is it worth all the trouble?" The answer must necessarily be, first, we must have some kind of harmonious working basis in order that we may "live with ourselves"; second, the political philosophy of the entire world, and the momentum toward democratic, republican, and socialized institutions have already attacked the problem with appreciable results. There is nothing to do but to "carry on."

Hangchow College, Hangchow, China,
September 15, 1922.

The Washington Conference and Far East Questions

BY SIR JOHN N. JORDAN

From the *Quarterly Review*, (London)

II.

THE next Treaty which requires a word of notice is that relating to the Chinese Customs Tariff. For many years the Chinese Tariff has been fixed by Treaty on the basis of a 5 percent, *ad valorem* duty on imports and exports alike. The arrangement is admittedly a one-sided one, which must in course of time undergo modification. The Chinese Delegation put forward a demand for Tariff autonomy; but in the present disturbed state of the country, a concession of that kind would have proved a very doubtful blessing. The import Tariff had been converted into schedules of specific duties, and owing to fluctuations in prices had fallen considerably below the *ad valorem* amount fixed by Treaty. The Conference agreed that a revision should take place at once to raise the specific duties to an effective 5 percent basis.

It was when this point was passed that difficulties were experienced in dealing with this complex question. By Treaties concluded in 1902 and 1903 the British, American, and Japanese Governments had undertaken to increase the Customs duties to 12½ percent in return for the abolition of *likin* and other inland dues. These dues have constituted a vexatious burden upon trade for many years, and both Chinese and foreigners have always regarded their abolition as an essential, prerequisite to commercial expansion.

To have granted an increase of Customs duties irrespective of the reduction of the inland dues would have been a retrograde measure which would have militated against the attainment of the object contemplated in the Treaties. Recognising the impossibility of settling the question in Washington, the Conference decided upon the appointment of a Commission, to sit in the near future in China, whose main duties will be to prepare for the abolition of *likin*, and arrange, as an interim measure, for the levying of a surtax that will raise the import duty to 7½ percent *ad valorem*, with an increase to 10 percent on articles of luxury.

Incidentally, the Conference did a very useful piece of work by abolishing the differentiation between the duties on sea-borne and land-borne traffic, which represented roughly a rebate of one-third in favour of the latter. With the advent of railways there was no longer any justification for this inequality, which was originally intended to offset the cost of transportation by land. The alteration will principally affect Japanese goods entering China by rail, which form more than half of the whole amount of overland traffic.

The Commission has a delicate and difficult task before it. It will have to decide what is to be done with the proceeds of the increased Customs duties; and any measures taken for the modification of the *likin* dues will have to be considered in consultation with the provinces, which will naturally require to be compensated for the loss of revenue. The provinces have received far too little consideration in the past,

Many of our Treaty arrangements and all the numerous Loan agreements negotiated by foreign financial agencies have tended to favour Peking at the expense of the provinces, and to divert to the use of the Central Government revenues which should have been retained to meet the cost of provincial administration. The result has been a counter-movement on the part of the provinces which has developed into a demand for almost complete fiscal autonomy.

As to the disposal of the increased Customs revenue, it will be necessary to exercise the utmost care to ensure that it does not go to the support of any of the rival factions now striving for political mastery of the country. The best course would probably be to earmark it for railway construction. The most crying need at the moment is the completion of the railway from Canton to Hankow, to connect the north and south and promote political unity.

It is to be hoped that the Commission will have the courage to resist the pressure, which is certain to be brought to bear, to devote a portion of the money to meet the service of unsecured loans. To make use of Customs funds to confer an *ex post facto* security upon wholly irregular transactions, which were entered into with a full knowledge of the risks they entailed, would encourage a repetition of the very malpractices it was one of the main objects of the Washington Conference to eliminate.

The last and far the most important of the four Treaties negotiated at Washington embodied the terms of settlement of the Shantung question. It represented at least 80 percent of the problems affecting China, and upon its successful issue the whole of the Conference depended; for without it China would not have signed the Washington Agreements and the Senate of the United States would not have ratified them. The history of the Shantung question is fairly familiar to most readers. It had its origin in the Imperialistic designs of Russia and Germany. The two Emperors came to a tacit understanding to help themselves to desirable points of vantage on the coast of China. Russia selected Port Arthur and Dalny, and Germany obtained a lease of Kiaochow, with railway and other concessions. Japan took the leased territory from Germany by force of arms; and in 1915, as a result of the Twenty-one Demands, China undertook to consent to any settlement Japan might make later with Germany. The Paris Peace Conference transferred to Japan all German rights and interests in Shantung. China refused to sign the Treaty of Versailles, and the Shantung decision aroused a storm of protests in China. For the first time in its history Chinese public opinion became a potent influence, and an outcry from all quarters of the country went up against what was loudly denounced as an act of Western treachery. A widespread boycott of all things Japanese ensued and was maintained with unparalleled severity and intensity. Great Britain as the ally of Japan and a signatory of the Treaty, came in for a full share of the odium attaching to the transaction; and for a time China seemed to have lost faith in Western justice. The rejection of the Treaty by the United States Senate brought the first hope of relief and encouraged Chinese resistance to the many earnest attempts

which Japan subsequently made to come to an amicable arrangement.

In view of the past history of the question, it was impracticable to take it up officially at Washington. But it was felt that the Conference presented an admirable opportunity for bringing the parties together to thresh out their differences under its auspices. To facilitate this the good offices of Mr. Hughes and Mr. Balfour were offered to both sides and gratefully accepted. British and American observers watched the proceedings, which were conducted entirely in English. After more than thirty meetings, extending over three hours each, an agreement was finally reached disposing of this vexed question in a way that has given general satisfaction.

During the fifteen years of their tenure of Kiaochow the Germans spent immense sums in developing the Port of Tsingtao, in constructing excellent roads throughout the territory, and in afforestation schemes which engaged the personal interest of the Emperor, and were justly regarded by him as a valuable object lesson to the Chinese. Kiaochow was, in its appearances as in its administration, a bit of Germany transplanted to China. The trade of the port attained rapid development. The Tsingtao-Tsinan railway, 265 miles in length, connected it with the interior; mines along the line were worked with German capital; and the whole province became to a large extent a German preserve. The Japanese maintained and greatly improved the territory during the seven years it was in their possession. The question which the Delegates were called upon to solve involved not merely the rendition of one of the finest ports in China and of a surrounding tract of 190 square miles, but also the disposal of many millions worth of property, all of which had been the fruit of German and Japanese enterprise. From the outset it was realized that the crux of a settlement lay in the railway. The Chinese had experienced the effects of railway penetration in Manchuria and were determined that the process should not be repeated in China Proper. Without the railway, the rendition of the leased territory would, from their point of view, have been worthless. They were accordingly anxious to place the railway question in the forefront of the programme. The Japanese preferred to take it later, and as it turned out, this was a wise decision, as it gave time to consider the matter in the favourable atmosphere which the success of the negotiations gradually created.

The Treaty, as finally arranged, is a lengthy document consisting of 28 Articles. A brief summary of its leading provisions will be sufficient.

Japan restores to China the whole of the leased territory of Kiaochow; and China, on her part, declares that the entire area will be opened to foreign trade and residence. The railway from Tsingtao to Tsinanfu and its branches, as also the wharves, warehouses, and other similar properties, are to be transferred to China. China reimburses to Japan the actual value of the railway, which is assessed at 53,406,141 gold marks. To effect this payment, China is to deliver to Japan Chinese Government Treasury Notes secured on the revenue of the railway, running for fifteen years, but redeemable after five years. Pending the redemption of the notes, China is to employ a Japanese traffic manager and a Japanese chief accountant, both under the Chinese managing director.

The Customs House at Tsingtao, which, under the Germans regime, was exclusively staffed by

Germans, is to be made an integral part of the Chinese Maritime Customs, and the staff will be drawn from all nationalities without discrimination. All Japanese troops are to be withdrawn from the railway within six months, and from Tsingtao within thirty days, and thereafter no military force of any kind is to remain in any part of Shantung. The submarine cables between Tsingtao and Chefoo and Tsingtao and Shanghai become the property of China which also takes over the wireless stations at Tsingtao and Tsinanfu on payment of fair compensation.

Such is a rough outline of the terms under which China regains control over the principal port and leading lines of communication in Shantung, which, but for the war and the success of the Allies, she had no prospect of doing for nearly eighty years. The only vestige which Japan retains of the dominating position she held in the province is an interest in the railway similar to what Great Britain and other Powers have in other Chinese Government railways; and even this expires in five years' time unless China fails to exercise her option of redeeming the bonds.

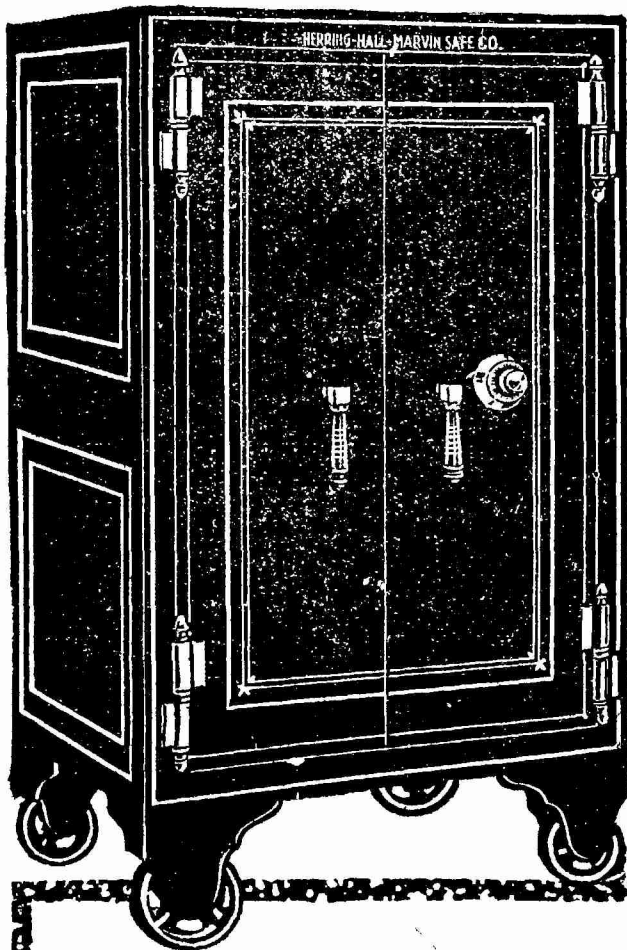
The retrocession of her Shantung rights was an act of wise statesmanship on the part of Japan, and Baron Shidehara was fully justified in stating that Japan had made every possible concession compatible with a sense of reason and fairness.

A word as to China's opportunity and responsibilities. She has acquired a fine port equipped with every modern facility, a first-class railway, and an immense amount of other property which she could never have created by her own efforts. The world will judge her by the use she makes of them. If she allows the railways to fall into disrepair or to become the prey of rival military factions, or if she fails to provide an efficient municipal administration for the foreign business community at Tsingtao, she is not likely to receive much sympathy or support in any future claim she may make for the restoration of similar rights.

It only remains to notice the Resolutions adopted by the Conference, which cover a wide variety of questions connected with China. Foreign postal agencies, extraterritoriality, radio stations, foreign troops in China, unification of railways, the reduction of Chinese military forces, and the Chinese Eastern railway, all came under review at Washington. The withdrawal of the foreign post offices, to take place not later than Jan. 1, 1923, is a somewhat tardy recognition of the efficiency of the Chinese postal system under its French Director-General.

Japan emancipated herself from extra-territorial restrictions many years ago, and Siam is making considerable progress in the same direction. China, alone of Far Eastern countries, remains under this regime and it is hard to see how any material relaxation can be made in her favour until, in the words of Dr. Willoughby, a very sympathetic critic, "it is made certain, as a matter of actual fact, and not as one of paper regulation or declared intention, that there exists in China a fairly complete body of ascertainable law administered by a system of courts which by reason of the learning, experience, probity, and freedom from political or executive interference of their presiding judges commands the confidence of the Western Powers."

As things are at the moment, Courts and Judges alike are powerless before military satraps who recognise no law but force. In this, as in many other ways, China has missed a great opportunity. Russians have been amenable to Chinese jurisdiction for some considerable time, and the manner in which it has



**Unfailing
Protection
For Your
Most Valued
Possessions**

HERRING-HALL-MARVIN

Safes and Bank Vaults

**All sizes from the Smallest Home Safe
to the Largest Bank Vaults**

Key Lock or Combination

MUSTARD & CO.

Sole Agents for China, Hongkong and Macao.

Shanghai, Tientsin, Hankow, Hongkong, Canton, Harbin.

been exercised has created a very unfavourable impression among foreign residents, who appear to be more convinced than ever that the time is still distant when their vast interests in China can safely be entrusted to Chinese Courts. As, however, it is twenty years since several of the Powers formally declared that they would relinquish their ex-territorial rights when satisfied that the state of Chinese laws and their administration should warrant them in so doing, it was agreed that a Commission, in which China would be represented, should be appointed to investigate the whole question and furnish a report.

The remaining Resolutions record hopes and expressions of views which will doubtless bear fruit some day, but are not likely to be realized in the immediate future. The unification of railways, for instance, is most desirable, but the construction of new railways is much more important. China requires, at least, an additional 30,000 miles of railway, and at the present rate of construction is not likely to get it for one hundred years.

The weakest point in the Conference was Manchuria. The net result, so far as the three Eastern provinces of China are concerned, is that a few concessions waiving preferential rights in regard to railway construction and the engagement of Japanese advisers were made by the Japanese Delegation, and that Group V of the Twenty-one Demands was definitely abandoned. The latter concession was little more than a formality, since a demand which, according to Prof. Willoughby, "would, if granted, have made of China a virtual political dependency of Japan," could hardly have been revived in the atmosphere of Washington.

The situation in Manchuria rests upon a series of Treaties and Agreements concluded during the last twenty-five years between Russia and China, Japan and China, and Japan and Russia. This vast area of 400,000 square miles is traversed through its whole length and breadth by railways, owned, controlled, and policed by Russia and Japan; and it requires only a slight acquaintance with this form of railway penetration in the Far East to realize that the political and economic influence it exerts is beyond the power of any Conference to regulate. I have watched the working of the system in Korea and Manchuria since its inception twenty-five years ago, and can testify from personal knowledge to its efficiency as a means of peaceful absorption. Before the European war, Russian domination in the North and Japanese predominance in the south worked in close alliance on parallel lines. Russia's position was greatly shaken by the war, while that of Japan was immensely strengthened. Japan took the opportunity to exact an extension of the leases of Port Arthur, Dalny, the South Manchuria railway and the Antung-Mukden railway for a term of 99 years. China, on her side, profiting by the collapse of Russia, succeeded in establishing a hold over the Chinese Eastern railway, in which she had previously only a nominal interest. The Chinese Eastern railway is redeemable in 1938, while the lease of the South Manchuria railway runs to 2002 and that of the Antung-Mukden line to 2007. The contrast is further accentuated by the difference between the status of the Japanese settlers in the south and that of the Russian in the north. There are 120,000 Japanese in South Manchuria living under the protection of their own authorities; while in the north there is a large Russian population which is amenable in all things to Chinese jurisdiction.

It will be seen from the above brief sketch that the Manchurian problem is essentially a railway one, and that any attempt to assimilate the position

China's International Communications

BY JOHN EARL BAKER

(Continued from issue of September 16)

Manchu railway policy dealt principally with construction. Republican policy, thwarted in the direction of construction, has accomplished a great deal along administrative lines. Under the Empire, each line being the instrument of a divergent and designing foreign government kept to itself, aloof. Even lines financed by the same nationality followed the spirit of the times, and were constructed and operated according to the preferences of its immediate officers. In this respect, the experience of China is no different from that of England, France or America, and as in those countries, the disadvantages of complete independence speedily became manifest. To weld the different lines into a single system has been the policy and the task of the new regime.

The unification program has been carried out by means of conferences between the heads of the railway departments affected, members of the Ministry of Communications being delegates to such conferences. The Conference acts as a legislature to frame the rules to govern such departments on all lines alike. These rules must be approved by the Ministry of Communications before having the force of law. The Conference subsequently acts as a court to interpret such law in the light of experience, and as a legislature to make such amendments and additions as may appear desirable. Where the rules affect more than one department, representatives of both departments sit in joint session.

The Accounting departments and the Traffic departments began their Conferences almost simultaneously. The Accountants have brought out

to that obtaining elsewhere in China must be based on that fact. Such an attempt was made by the United States Government in 1909, when the problem was far simpler than it is now. The Knox proposal of that year sought to promote the development of Manchuria under a practical application of the policy of the open door and equal opportunity, by bringing the Manchurian railways under a system of international control on lines similar to those contemplated by the Consortium of the present day. It met with a decided refusal on the part of Russia and Japan, and only led to the Russo-Japanese Treaty of the following year, which consolidated their joint interests in Manchuria and formed the basis of their subsequent policy. The Soviet Government, however, shows no marked eagerness to exploit the Manchurian legacy which it inherited from its Imperial predecessor; and, as China and Russia have to live as neighbours on a common frontier of nearly 4000 miles, it is not improbable that the situation in Northern Manchuria will undergo considerable modifications in favour of China. If ever Russia and China emerge from their present weakness and attain a degree of strength commensurate with their population and natural resources, the position of Japan on the mainland of Asia may become one of some difficulty; but, in the meantime, she is not likely to be hampered in the vast enterprises on which she has embarked there, by the decisions of the Washington Conference.—*Reprinted from the Peking and Tientsin Times.*

RAILS

FOR

RAILWAYS

TRAMWAYS

MINE TRACKS

INDUSTRIAL PLANTS

ALL WEIGHTS & SIZES OF

TEE-RAILS

GROOVED RAILS

UNITED STATES STEEL PRODUCTS COMPANY

UNION BUILDING
THE BUND AND CANTON ROAD
SHANGHAI. (CHINA.)

No. 22 WU LIANG TA JEN FUTING
PEKING (CHINA.)
No. 15 NAKADORI, MARUNOUCHI
TOKYO (JAPAN.)

ENTOMOLOGIST,

at present travelling in East Tibet, arriving in Shanghai about end of this year, offers his whole output of 1922 for sale: About

12,000 BUTTERFLIES

with many rare and valuable species, and a FEW THOUSAND OTHER INSECTS.

Highest offer accepted.

Apply to 'Entomologist', c/o Weekly Review, Shanghai, (one copy of application to 'Butterfly' c/o American P. O. Shanghai Post Restante).



OUR
SEIKHS
SEEK
TO
SERVE

ORIENTAL SECRET SERVICE

UNIFORMED GUARDS
TALLYMEN
WATCHMEN

PROTECT
YOUR CARGO
YOUR WORKS
YOUR OFFICE
YOUR HOME

518 KIANGBE ROAD PHONE 6565



Just between Ourselves

(No. 19 of a series)

"**M**Y wife objects to life insurance."

"**T**HAT is rather unusual. Women are the best friends of life insurance, because the protection and guarantee of their happiness and welfare that it affords prompts men to turn to life insurance. Your wife may object because of her unselfishness, but when she hears the whole story and sees that the insurance benefits you as well, probably she will not object.

"**L**OTS of women object to life insurance for the simple reason that they hate to face the situation of getting along by themselves. But is that any reason why you shouldn't face it?

"**B**ECAUSE your wife is willing to risk leaving your family in distress, you are not justified in doing so."

Full information gladly sent on request.

ASIA LIFE INSURANCE Co.

Operating under American Charter.
Main Office: 15 Nanking Road, Shanghai.
Agencies in principal cities throughout China.

uniform classifications for Revenues, Expenses, Income, Profit and Loss, Balance Sheet, Capital Expenditures, and uniform rules for Station Accounts, Store Accounts, Engineers' Construction Accounts, and for compiling train, locomotive and car mileage statistics. They have brought out six Annual Reports covering all of the Government lines, 1915-1920 inclusive, which the British Parliamentary Committee reporting on the Indian railways, declares to be "probably the most up-to-date and useful in the world."

The Traffic departments have brought about convenient through train schedules, through tickets, through baggage and through express service. Later came a through express train, through invoicing of freight and interchange of rolling stock. A uniform classification of goods, uniform conditions for carriage of both goods and passengers, and a uniform basis for rate making have been recent additions. Be it known that in China there is no such bugbear as the "long and short haul" problem. Although the tapering principle is admitted, distance is the ruling factor within given classifications. As a result, China will have none of these unstable commercial structures which make invested millions depend upon persuasive rate arguments to continue their existence. Industries will be located in China according to natural laws, rather than according to the local pride or accidental whim of interested railway officials. Uniform rules for the distribution of cars is one of the latest subjects to pass before the Traffic Managers' Conference.

The metric system has been adopted as the standard upon all the government lines both for distances and weights. Of course the description of many physical structures built under the English system must remain in feet and inches. Standard overhead and side clearances have been worked out by the Engineering departments, and the Mechanical departments have recently agreed upon a standard design for forty-ton freight cars, of the flat, box and gondola types.

The work of standardization is by no means finished, but it has gone far enough so that it is correct to say that the Government railways have been welded into a system and that the system is under the effective control of the Chinese. The standardization program has applied to only the Government lines. It does not apply to the Chinese Eastern, South Manchurian and other "concessioned" lines. It will apply to the Shantung railway, as soon as that line is transferred to Chinese control. The Japanese are said to be considering the adoption of some of the Chinese standards for the South Manchurian railway, and it is safe to indulge the prophecy that within a short time they will realize the profitableness of identifying this line in as many respects as possible with the larger mileage on the continent.

Practically all of the railway mileage of China is to be found north of Shanghai—thanks to the greater effectiveness of South China opposition to foreign and Manchu construction and to the accident of the first construction being in the North. While all of this northern mileage is contiguous, it is most effectively divided into three zones: (1) that of the Chinese Eastern by its five-foot gauge, (2) that of the South Manchurian with standard gauge and the same coupler height as obtains in America, and (3) the Chinese Government railways which have standard gauge, but have the higher centered coupler of

Oregon Pine—

The Standard of the West

SUPERIORITY of service after years of usage has made Oregon Pine the standard of the West. The recognition of this superiority is rapidly bringing the use of more of the timber in the Far East. Robert Dollar Company Oregon Pine is of the highest grade, coming from our own forests, through our own mills, on our own vessels to China. We can supply all sizes and grades required for all kinds of building and construction work.

We Specialize in Bridge Timbers
and Railway Sleepers.

*RETAIL LUMBER YARDS IN
HANKOW AND TIENTSIN.*

THE ROBERT DOLLAR Co.

ROBERT DOLLAR BUILDING, 3 CANTON ROAD

BRANCH OFFICES

HANKOW — PEKING — TIENTSIN — ICHANG — CHUNGKING — KOBE — HONGKONG — MANILA
SINGAPORE — CALCUTTA

The Shanghai Commercial & Savings Bank, Ltd.

HEAD OFFICE: 9 Ningpo Road

Capital\$ 2,500,000.00

Reserve\$ 400,000.00

Every description of modern banking and exchange business transacted—Personal, National and International.

Branches and Agencies throughout China.

CORRESPONDENTS:

New York	London	Yokohama
Chicago	Paris	Tokyo
Seattle	Berlin	Osaka
San Francisco	Amsterdam	Manila
Marsailles	Singapore	

Cable Address: "COMSAVBANK"

TELEPHONES:

Central 4522, 4523 & 4524, General Office

Central 4532, Foreign Dept. Manager's Office

Central 3251, General Manager's Office

K. P. CHEN,

General Manager

Europe. The Chinese Government railways have as a standard, 85 lb. rail, but some lighter sections are to be found on branches, sidings and some of the lesser used main line. Practically all track is rock ballasted. Train speeds are relatively slow, but accidents are uncommon. The Chinese engine driver is probably the gentlest with the steam and the deftest with the airbrake of any in the world. Passenger equipment is of three classes, first class being similar in design and standards to European practice. Freight cars vary in capacity from ten to forty tons,—long tons. Open cars prevail, and are favored by shippers because of more convenient and heavier loading possibilities.

Rates are low. The average ton-kilometre revenue is one and a quarter cents (Chinese) or about two-thirds the average rate in America. The average passenger-kilometre revenue is slightly over one cent (Chinese) and for first class it is only three and third cents, again about six-tenths of the American rate. In spite of these low rates, Chinese railways are among the most profitable in the world. The average return upon the property investment is $8\frac{1}{2}$ per cent and for the older lines like the Peking-Hankow and the Peking-Mukden it is as much as 17 and 18 per cent.

In spite of the profitableness of the Chinese investment, only about 300 miles of line have been constructed out of purely Chinese funds during the ten years of the Republic. This is partly due to the requirements of the lines themselves for additions to their property in order to take care of a rapidly increasing business, and to repayments of their mortgage indebtedness. With the demands which are now being made upon railway revenues for outside purposes such as general education and military expenses, the prospect is not bright for additional construction from domestic resources. Foreign sources are pretty much controlled by the Consortium, which China seems determined to avoid. The Consortium has only a few years yet to run, and it is not at all impossible that something of the old battles for concessions will recur. But at least the prospect is so uncertain that many of the interior districts are turning to a different form of transportation,—highways.

Highways: The highways of China at present are mere trails, for the most part. Some thousands of Imperial roads radiate from Peking, but they are so sadly out of repair as to be useless. Over the coastal regions the wayfaring carter takes his way in the general direction of his destination, winding hither and yon as soil conditions and the natural uncertainty of plodding beasts require. In the mountains there is a trail over a pass, a narrow slippery trail, difficult at all dangerous points when a fall of snow or sleet lays on the rocky path. The packmule is the prevailing goods vehicle over such routes. To supplant these tracks and trails with highways over which swift motors may pass carrying passengers and freight would go far to make up the deficit in railways.

The urge in the direction of good roads is assisted by the fact that motor service between Kalagan and Urga has been under way for two or three years,—a distance of 800 miles with no attempt at a highway. Enterprising missionaries are here and there using light cars or motorcycles in the interior, on such roads as are to be found. Some six or seven thousand motor cars are to be found in the larger cities, owned largely by Chinese, and these owners fret at the limited distances over which their cars



ASIA DEVELOPMENT CO., LIMITED.

司公業建洲亞

ENGINEERS AND CONTRACTORS

SHANGHAI, CHINA

3 Canton Road, 6th floor

Tel: Central 6316

CONSTRUCTORS OF—

Railways, Port Developments, Electric Railways, Tramlines, Buildings, Industrial Plants, Power Plants, Waterworks, Bridges, Foundations and general developments of all kinds.

A New Steamship Service

American ships go to all the important ports of the world

Pacific Freight Service

Key number in parenthesis following ship's name indicates name of operating company in following list.

China Japan, Phi's, Straits Settlements, & India

For San Francisco

Kobe, Yokohama and Honolulu.

Pres. Wilson, S'hai, Oct. 7 (105)
Pres. Taft, S'hai, Oct. 17 (105)
Pres. Lincoln, S'hai, Oct. 28 (105)
Pres. Cleveland, S'hai, Nov. 18 (105)

From San Francisco

Honolulu, Kobe, S'hai, Manila, H'kong.
Pres. Wilson, S'hai, Sept. 23 (105)
Pres. Taft, S'hai, Oct. 3. (105)
Pres. Lincoln, S'hai, Oct. 14. (105)
Pres. Cleveland, S'hai, Nov. 4 (105)

From Seattle

Hongkong and Manila.

Pres. Grant, S'hai, Oct. 3. (1)
Pres. Jefferson, S'hai, Oct. 17. (1)
Pres. Madison, S'hai, Oct. 31. (1)
Pres. McKinley, S'hai, Nov. 14. (1)
Pres. Jackson, S'hai, Nov. 28. (1)

For Seattle

Yokohama, Kobe, Victoria

Pres. McKinley, S'hai, Sept. 24 (1)
Pres. Jackson, S'hai, Oct. 8. (1)
Pres. Grant, S'hai, Oct. 22. (1)
Pres. Jefferson, S'hai Nov. 5. (1)
Pres. Madison, S'hai, Nov. 19. (1)

From San Francisco & Los Angeles via Japan ports

Elkridge, Shanghai, Sept. 25. (5)
West Prospect, S'hai, Oct. 8. (5)

For Straits, Java Territory

Hongkong and Manila

Elkridge, Shanghai, Sept. 26. (5)
West Prospect, S'hai, Oct. 10. (5)

From Portland

West Orawa, S'hai, Oct. 6. (10)

NEW and gigantic American ships are taking thousands of tons of cargo to and from the greatest markets of the world. A magnificent fleet of 406 U. S. Government vessels now offers you a wonderful opportunity. Now you can take advantage of the swiftness, the expertness, and the efficiency, characteristically American, in which these splendid ships excel.

They are now being operated for the U. S. Government by Steamship Companies with years of successful experience and reputations of international repute. Their rates are as low as the lowest. Their service is unexcelled. And they carry freight and passengers to all the important ports of the world.

Consult the U. S. Shipping Board official in your port, or any U. S. Consular officer for further information. The U. S. Government and the people of the U. S. are interested in making this service a success. No effort and no expense has been spared to make it compete with the very best.

Pacific Passenger Service

Key number in parenthesis following ship's name indicates name, address and telephone of Steamship Co. in list at bottom of this column.

From San Francisco

Hongkong via Manila.

Pres. Wilson, S'hai, Sept. 23 (105)
Pres. Taft, S'hai, Oct. 3. (105)
Pres. Lincoln, S'hai, Oct. 15. (105)
Pres. Cleveland, S'hai, Nov. 4. (105)

For San Francisco

Via Japan Ports and Honolulu.

Pres. Wilson, S'hai, Oct. 7. (105)
Pres. Taft, S'hai, Oct. 17. (105)
Pres. Lincoln, S'hai, Oct. 28. (105)
Pres. Cleveland, S'hai, Nov. 18 (105)

For Seattle

Japan Ports and Victoria B. C.

Pres. McKinley, S'hai, Sept. 24 (1)
Pres. Grant, S'hai, Oct. 22. (1)
Pres. Jefferson, S'hai, Nov. 5. (1)
Pres. Madison, S'hai, Nov. 19. (1)

From Seattle

Manila via Hongkong.

Pres. Grant, S'hai, Oct. 3. (1)
Pres. McKinley, S'hai, Nov. 14. (1)
Pres. Jackson, S'hai, Nov. 28. (1)

(1) The Admiral Line
Nanking and Kiangai Roads, S'hai, C. 597
Manila, Singapore, Hongkong, Kobe,
Yokohama, Seattle, New York.

(5) Struthers and Barry

5 Jinkee Road, Shanghai, C. 5017
Yokohama, Kobe, Hongkong, Manila.

San Francisco, Singapore

(10) Columbia Pacific Shipping Co.
6 Kiukiang Rd. (4th floor), S'hai, C. 463
Y'hama, Kobe, T'sin, Dairen, Tsingtao,
Portland.

(15) American Trading Company,
Robert Dollar Building, (5th Floor)
Yokohama, Kobe, Hongkong, Manila
New York, Seattle, San Francisco.

(105) Pacific Mail Steamship Co.
18 Nanking Rd. Shanghai, C. 5056-5053
Honolulu, Yokohama, Kobe, Manila,
Tientsin, Singapore, Colombo, Calcutta,
San Francisco.

UNITED STATES SHIPPING BOARD

An American Government Institution

Washington, D. C.

ANNOUNCEMENT

*by the American Chamber of Commerce
of China*

From time to time, Stocks in American Oil Companies are offered on the local markets of China. Full information as to the possibilities of all oil regions and fields in America can be secured without cost by addressing a letter of inquiry to the United States Geological Survey, Washington, D. C., a branch of the American Government which has made a close survey of all possible oil fields in the United States and has on file complete data regarding same. When practical, a prospectus of the company marketing the stock should accompany the letter.

"SPERMIN"

THE PHYSICAL TONIC
REJUVENATING
HEALTH RESTORING

Price \$3.00 per bottle
Write for descriptive pamphlet

TO BE HAD

at

SINE PHARMAY, 6a Broadway

and at

ALL LEADING DISPENSARIES

Wholesale Agents

Sine Company, Ltd.

4 Ezra Road, Shanghai

can be used. Gradually extensions into the country from Peking, Shanghai and similar cities are being built to answer to that urge.

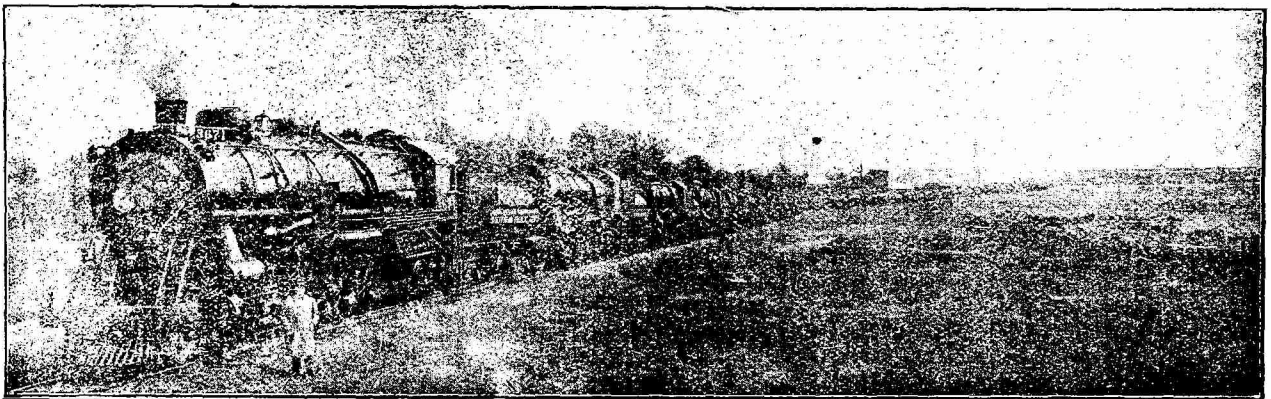
Theoretically the building of roads is an easy matter. The engineering difficulties are not many. Native engineers are plentiful. Native labor is more than plentiful. Native materials are adequate. Under present wage conditions hand tools are the most economical, and these can be produced locally. Even explosives necessary to mountain construction can be produced alongside the work. In Shansi the Red Cross forces encountered six miles of semi-granite. The dynamite ordered could not be transported nearer than Hankow, yet in two months the road was through. The principal difficulties to be encountered are the primary ones of finance. Land for right-of-way is expensive in the plain, but where actual cash is forthcoming in payment, the difficulties of securing the necessary land will be found to be less in China than in practically any other country. The Red Cross during the Famine period of 1920-21 acting through local officials secured right-of-way for 850 miles of road in time to complete the construction within eleven months of effecting the first organization.

One of the important questions at issue in Chinese road construction is the character of surface. Automobile enthusiasts favor a macadam surface. If the prevailing traffic is to be motor borne and the road is adequately maintained there is really no dispute on the question. But except near the large cities the bulk of the traffic for years to come is bound to be in carts, for Chinese as a rule can not afford motors, and gasoline costs about \$1.20, a gallon. The first cost of a macadamized road is five or six times that of a dirt road, and at some portions of the coastal plain the disparity is much more than that, due to the distance from rock. If carts are to be used for freight carriers, the subject of maintenance becomes of greater importance than the first cost. The Chinese cart is springless, and rests on only two wheels which are shod with a very narrow tire, each edge of which usually is given a cutting rim to assist in climbing out of ruts. Macadam will stand up under this kind of traffic only a matter of two or three years, when it will have to be dug up and replaced,—a very expensive process. A dirt road, on the other hand can be repaired periodically very cheaply. Indeed until the Chinese are able to work out maintenance organizations which will function, any investment in macadam is wasted, and road building is of doubtful value. Adequate maintenance is practically hopeless as long as the present narrow tired wheel continues to be the prevailing type. If the broad tire were to be introduced, a dirt surface would supply a very satisfactory motor road, for the soil on the coastal plain contains sufficient lime to bake into a hard surface as soon as the rains are over. If the broad tired wheel were to become vogue in China very little work would be required to make the whole coastal plain a network of roads upon which motor speeds of 20 miles an hour could be maintained. Until that time only occasional toll roads are possible.

In the mountains, however, more prompt results can be expected. First costs are greater, due to the large quantities of cut and fill and to the large number of culverts and bridges necessary, but land is less expensive, and materials for tools and surfacing are nearer at hand. Besides, since no carts are used over the mountains, it is easy to secure adequate police powers to restrict the use of

BALDWIN

World's Heaviest Train of Big Locomotives
Moved across the United States of America



IN railroad circles throughout the world, much interest was shown in the recent movement of a train of twenty (2-10-2) type, oil burning locomotives, from these Works on the Atlantic Coast across the United States, to the Pacific Coast.

We recently built fifty of these most powerful type of locomotives for the Southern Pacific Lines and all will be in service this year,

handling rapidly increasing traffic.

The principal dimensions of these locomotives are: Cylinders, $29\frac{1}{2}$ x 32 inches. Working pressure, 200 pounds. Driving wheels, diameter, $63\frac{1}{2}$ inches. Total length, engine and tender, 97 feet $3\frac{1}{4}$ inches. Weight in working order, engine, 398,000 pounds. Total weight, engine and tender, 621,000 pounds. Tractive force, 75,150 pounds.

We are prepared to design and build locomotives for any railway in the world and make prompt deliveries.

THE BALDWIN LOCOMOTIVE WORKS

PHILADELPHIA, U.S.A.

Cable Address: "Baldwin, Philadelphia"

Sale & Frazar, Ltd., Tokyo and New York
J. M. Wright, Bandoeng, Java, D. E. I.
C. Brewer & Co., Ltd., Honolulu, Hawaii
Newell & Co., Melbourne, Victoria

Andersen, Meyer & Co., Ltd., Shanghai and N. Y.
Phillips & Pike, Wellington, New Zealand
R. Towns & Co., Sydney, New South Wales
Leslie & Co., Perth, Western Australia

Pacific Commercial Co., Manila, P. I. and New York
J. W. Kelker, Harbin, Manchuria

LOCOMOTIVES

FREYN, BRASSERT and COMPANY

Consulting and Construction Engineers

Blast Furnace Plants

Steel Works

Rolling Mills

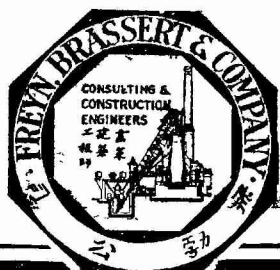
Power Plants

Raw Material Investigation

Appraisals and Reporting

Head Office:
CHICAGO,
U. S. A.

Cable:
FREYN
Chicago



London Office:
38 Victoria St.,
Westminster

Cable:
VILVALLE
London

Pacific Mail Steamship Co.

"SUNSHINE BELT"

Trans-Pacific Service

San Francisco—Honolulu—Yokohama—Kobe
Shanghai—Manila—Hongkong

New palatial steamers—

"PRESIDENT CLEVELAND"

"PRESIDENT WILSON"

"PRESIDENT LINCOLN"

"PRESIDENT TAFT"

"PRESIDENT PIERCE"

Displacement 21,167 tons, length 535 feet, beam 72 feet.

SAILINGS EVERY 14 DAYS

For information regarding freight or passage apply to company's agents at all ports or to Thos. Cook & Son or American Express Co.

Shanghai Agency

Pacific Mail Steamship Company

Managing Agents

U. S. SHIPPING BOARD

1B Nanking Road
Cable address—**SOLANO**

Tel:—C. 5056
C. 5057

the road to broad tired wheels. All of the carts which use the road must be constructed anew, and so can just as easily adopt the new style of wheel. It is no more expensive than the old style, once wheelwrights become familiar with it. In Shansi the Governor has succeeded in driving all the narrow tires off the streets of his capital except for passenger vehicles. So the transition is not impossible. In the mountainous districts also will the road be found to have the greatest economic importance. Take for example the road built by the Red Cross from Fenchowfu, Shansi, to the Yellow river. The average freight rate over this difficult route was \$26.60 per ton for the 80 miles. On carts over the easy grades the rate can be reduced to \$6.50 per ton. About 700 tons per day is the average shipment over this route, and this saving of \$14,000 per day or \$5,000,000 per year represents the benefit to the province as well as the possibilities of tolls derivable.

During the famine of 1920-21 a great impetus was given to road building by the work of the American Red Cross, which as a means of permitting famine sufferers to earn a living for themselves and families, financed and directed the construction of 850 miles. About 200 of this was in the mountains of Shansi, the remainder being in the plains of Shantung, Chihli and Honan. It is too early to measure the results of the work from an engineering or an economic standpoint, but this large experiment should be studied carefully during the next few years, for it will undoubtedly have important lessons. The final report of the Red Cross upon this work is in print, and gives a mass of details as to methods of organization, construction, payment, together with costs and comment of value to whoever must travel a similar way.

A number of smaller projects took shape alongside the Red Cross work and reports are coming in that other provinces intend to use the army and other forces to duplicate within their borders the mileage possessed by their rivals. In Shansi the Governor already had a plan for a north-and-south trunk highway. He has been encouraged to continue and at this writing probably more than a third of the mileage is in condition. A Good Roads Association has been formed at Shanghai, Canton, Foochow, and even far Szechuan is promoting similar movements.

But roads, be they ever so good, can not take the place of railways for long hauls. China is a continental nation and therefore needs a rail system binding together her many provinces. The Government system on the whole has been planned to supplement rather than to compete with its water system. Similarly, the highway construction of the future should be planned to supplement the railways rather than to compete with them. In some cases already the highways have been so surveyed and constructed that when conditions are ripe, the roadway may be utilized as a roadbed for rails. In this way the financial resources of the country are being conserved and mercantile interests are given confidence. An instance in point is that of the Chefoo-Weihsien project,—built as a famine relief measure by the Ministry of Communications. Another is the Tamingfu-Hantan road built similarly by the Red Cross, and upon which a motor bus line began to operate even before the line was formally opened to traffic. China is feeling a tremendous inward surge, and this impulse will be manifested probably most of all in construction work for the improvement of internal communications.

Consolidated Steel Corporation

25 Broadway, New York, U. S. A.

SOLE EXPORTER OF
THE COMMERCIAL PRODUCTS OF
BETHLEHEM STEEL COMPANY
BRIER HILL STEEL COMPANY
CAMBRIA STEEL COMPANY
LACKAWANNA STEEL COMPANY
LUKENS STEEL COMPANY
MIDVALE STEEL AND ORDNANCE COMPANY
REPUBLIC IRON AND STEEL COMPANY
SHARON STEEL HOOP COMPANY
TRUMBULL STEEL COMPANY
WHITAKER-GLESSNER COMPANY
YOUNGSTOWN SHEET AND TUBE COMPANY

CONSTECO
TRADE MARK

BRANCH OFFICES

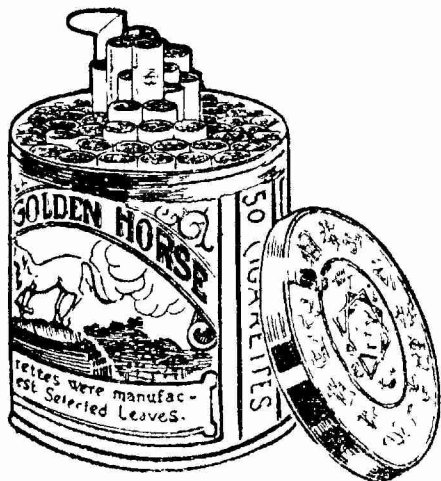
AND REPRESENTATIVES IN

Alexandria, Egypt	Sao Paula, Brazil
Buenos Aires, Argentina	Shanghai, China
Calcutta, India	Santiago, Chile
Christiania, Norway	Santo Domingo, Dominican Republic
Guayaquil, Ecuador	St. John's, Newfoundland
Havana, Cuba	Sydney, Australia
London, England	Tokio, Japan
Montreal, Canada	Toronto, Canada
Milan, Italy	Valparaiso, Chile
Mexico City, Mexico	Winnipeg, Canada
Rio de Janeiro, Brazil	

CABLE ADDRESS: CONSTECO, NEW YORK

Cable Codes: Consolidated Steel Corporation, Western
Union, A B C Fifth Edition Improved, Scott's 10th
Edition, Bently's Complete Phrase, Lieber's

金馬香煙



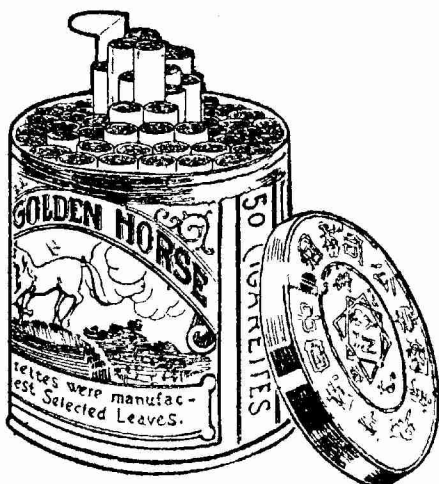
Don't you ever like to get a

Best Cigarette?

Why not have one

"GOLDEN HORSE"

TO-DAY?



金馬香煙

Views In Review

(Contributed)

All does not run smoothly in Greece.

They are having a wage war for war wages.

If Greek meets Greek, they 'll keep on running.

One would think that war on Turkey was foul play.

The hand that rocks the government runs the trains.

In Germany the rate of exchange depends on the change.

An optimist is a miser who hoards Russian rubles and German marks.

In the U. S. A. John Barleycorn is on his last legs, meaning bootlegs.

Normalcy on its return in the U. S. A. has been delayed by the transportation tie-up.

Now that cool weather is coming the women will have to stay at home or dress out-of-style.

We are told no one knows who started jazz music, and possibly that is why no one knows how to stop it.

The announcement that several Japanese silk mills were stopping reminds us that not all who are in silk are rich.

Lloyd George has made money writing a book and now he is trying to save money by America's righting Europe.

Europe is about to get into another scrap just when we were coming to think she was going to avoid having to be scrapped.

Germany is reported to be playing for American travelers, which reminds us that she had a way to attract them across in 1918.

The prohibition poll that the Literary Digest is taking evidently is not the same one that you hear people talking of going up every New Year.

The reason there's a question about America's being able to recognize the Peking government tomorrow is because China has lost so much of her face.

When a banker announced the other day that a lot of the Russian ruble notes were counterfeit, we learned for the first time that they were copyrighted.

The attention the ship subsidy bill is getting indicates congress expects our boats to be self-supporting by their transportation and bootlegging efforts.

Those getting into trouble for making fake whiskey here should go to America where the business is safer, has more dignity and offers the thrill of keener competition.

"Spoiled egg business," reads a headline, referring to Chinese eggs going into America. We knew some Chinese eggs were known for their age but we thought the ones they sent to the U. S. A. were good.

Shanghai Residents Now Able to Have U. S. and Canadian Farm Products

The opening and establishment of an outlet for Washington farm products in the Orient and Manila with a heavy consumption throughout the commissary department of transpacific steamship lines has enabled Seattle wholesale merchants to work off a heavy surplus of offerings. Among local products that meet with favor in Shanghai and Manila are lettuce, celery, cantaloupes, plums and peaches. Shipments are placed in cold storage and, according to advices to local shippers, arrive in perfect condition. Admiral Line vessels are the heaviest users, general stocking up for transfer to steamers on the return trip, thus enabling the commissary to serve fresh vegetables and fruits on both trips across the Pacific.

The Canadian Pacific Ocean Limited, also brings Canadian vegetables and fruit for local use, as well as the Pacific Mail Steamship Company's liners.



"They Satisfy"

Chesterfield

CIGARETTES

of finest Turkish and American tobaccos—blended

Taste is a matter of
tobacco quality

We state it as our honest
belief that the tobaccos used in
Chesterfield are of finer quality
(and hence of better taste)
than in any other cigarette at
the price.

Liggett & Myers Tobacco Co.
U. S. A.



"There's
something
about them
you'll like~"

**Herbert
Tareyton**
London Cigarettes

Twenty to
the package

The Ault & Wiborg China Co.

37 Canton Road, Shanghai

Factories & Headquarters in Cincinnati,
Ohio, U. S. A.

Established 1878

MANUFACTURERS OF

Printing & Lithographic Inks
Dry Colors
Aniline Dyes
Enamels, Paints & Varnishes
Typewriter Ribbons & Carbon Papers
Writing Fluids

DEALERS IN

Printing & Lithographic Machinery of every
description

Papers of all kinds

Headquarters in China for supplying every
need of Lithographic or Printing shops

Foreign experts in all above lines will give
you advice at anytime without obligation
on your part.

Branch houses carrying stocks at Canton, Hongkong,
Hankow, Tientsin and Manila.

Men and Events

Hollington K. Tong, of Peking, Assistant editor of the *Weekly Review*, was in Shanghai this week on business.

C. T. Wang, director-general of the committee on the rehabilitation of Shantung province visited his family in Shanghai this week.

Julean Arnold, American Commercial Attaché, is planning to depart for America next month. Mr. Arnold will make a brief trip to America and will attend the Pan-Pacific Conference in Honolulu. Mrs. Arnold and children will go to their home in Peking during the absence of Mr. Arnold from China.

Joe L. Baker, special assistant to Hon. C. H. Huston, assistant secretary of the Department of Commerce at Washington, now touring the Orient is a member of the Senate press gallery and a newspaper man of considerable experience in the American capital. When at home he is Washington correspondent of the Daily News Record of New York.

Dr. Paul S. Reinsch, former American minister to China, and now an attorney in Washington, D. C., who has been visiting in China for several weeks, expects to come to Shanghai about October 1 on his way home to America. Dr. Reinsch is making a general tour of China in connection with his work as legal representative of the Chinese government in Washington.

Miss Elizabeth Harrington of Colorado arrived in Shanghai last week from Peking and North China. Miss Harrington is traveling in the Orient collecting material for magazine articles and syndicates in the United States. After a tour of Japan Miss Harrington made a trip to the Far Eastern Republic, also traveling on to Moscow. She departed for America on Tuesday, September 19, on the *s. s. President Cleveland*.

The Italian Legation in Peking has announced that the King of Italy, has bestowed the Knight Companionship of the Order of the Crown of Italy on five Italian Bishops in China. The recipients of the honors are Monsignors Agapito, Fiorentini, Apostolic Vicar of Northern Shansi; Luigi Calza, Apostolic Vicar of Western Honan; Eugenio Massi, Apostolic Vicar of Central Shensi; Domenico Pozzoni, Apostolic Vicar of Southern Kwangtung and Gian Pellegrino Mondaini, Apostolic Vicar of Southern Hunan.

As a result of a fight between the American and Chinese laundrymen in Brooklyn N. Y. the public is getting its washing done at the rate of ten cents for shirts and one cent for collars. The *New York Herald* for August 19 contains an account of the affair which states that the Chinese laundrymen have combined to drive the Americans out of business, at least this is the contention of the Americans. The regular rate for washing shirts in Brooklyn, according to the account is 18 cents while collars cost 5 cents.

Senator Wesley L. Jones of Washington has introduced a bill in Congress similar to the China Trade Act to provide for the organization of corporations to do a foreign business in any part of the world. Under the bill which is known in the Senate as "25-Y" charters would be granted to foreign trade corporations and they would be exempt from domestic taxation to the same extent as corporations will be under the measure applicable to companies doing business in China. The new measure is said to have the backing of Secretary Hoover of the Department of Commerce.

A copy of the *Who's Who in America*, Vol. 12, 1922-23, has just been received. The new edition has been thoroughly revised and brought up to date. It is issued biennially in America and Vol. 13 will be issued in May 1924. *Who's Who in America* aims to give a brief personal sketch of every living American whose achievements make his personality of general interest and tells just the things everyone wants to know about those who are most conspicuous in every walk of life. A valuable feature of the book is the address appended to each sketch. In the first edition of the book there were eighty-two pages, and the present book contains 3,520 pages, and 24,278 sketches of which 3,339 appeared in no previous issue.

Chinese Operate Fifty Steamers out of Shanghai

Four Chinese steamship companies operate fifty ships of a total tonnage of 50,851 tons out of Shanghai according to a recent announcement of the Chinese General Chamber of Commerce. All of the ships are in the coastal and river trade. The names of the companies, number of ships and tonnage follow: China Merchants Steam Navigation Company, 29 ships, 41,321 tons; Ningpo Shaohsing Steamship Company, 3 ships, 5,070 tons; Ta Tah Steamship Company, 7 ships, 3,362 tons; San Peh Steam Navigation Company, 11 ships, 11,098 tons.

*"Some
Cigarette!"*



Delicious—

The finest Kentucky
Burley toasted to give a
rich and mellow flavour.

Just say

**"LUCKY
STRIKE"**

and enjoy that
toasted flavour.



British-American Tobacco Co. (China) Ltd.
Distributors



THE UNIVERSAL CAR

New Price

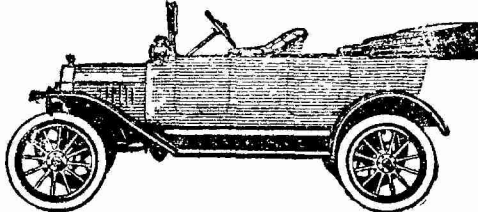
Standard 5 Passenger Touring

Tls. 885

HUDFORD MOTORS

601-603 THIBET ROAD

Phone: C-3804. SHANGHAI



Huston Party Spends Busy Week in Shanghai

Assistant secretary C. H. Huston of the U. S. Department of Commerce has been spending the week in Shanghai, and has been the central figure of many functions giving in honor of the party, which left Seattle on June 20 for a tour of the world in the interest of American trade.

Most of the party arrived in Shanghai aboard the U. S. Coast Guard Cutter *Mojave* on the 14th, while Secretary Huston came by rail from Peking just in time to speak at the Pan-Pacific Annual meeting and Balboa Day celebration at the Carlton, on Saturday. In the afternoon, Secretary Huston was given a reception by the Chinese Chamber of Commerce.

On Sunday, he was guest at a tiffin at the home of Commercial Attaché Julean Arnold, in the afternoon attending a reception in his honor at the Columbia Country Club. Monday, the Union Club and American Chamber of Commerce gave the Secretary a tiffin at the Union Club. The American community was invited to meet the party Monday afternoon at a reception given jointly by Julean Arnold and the American Chamber of Commerce.

Tuesday, members of the party went to Wusih. Thursday afternoon, Secretary Huston gave a reception to Shanghai people aboard the *Mojave*. The party expected to weigh anchor before the end of the week.

Members of the party were:

Honorable C. H. Huston, Assistant Secretary of Commerce, Dr. James F. Abbott, American Commercial Attaché, Tokyo, Lt. Commander H. G. Hamlet, Commanding U. S. Cutter *Mojave*, Senior Surgeon H. M. Evans, U. S. Public Health Service, Ward T. Bower, Field Assistant Bureau of Fisheries, Lieut. John M. Creighton, U. S. Navy, Joe L. Baker, Special Assistant to Mr. Huston, Lieut. L. L. Bennett, Executive Officer, U. S. Cutter *Mojave*, Lieut. C. C. MacMillan, Chief Engineer, U. S. Cutter *Mojave*, Mr. David J. Davis, Department of Labor, Mr. Lambert Clifford, Mr. Carl J. Gilbert, Lieut. (J. G.) Ellis Reed-Hill, Lieut. (J. G.) W. N. Derby, Lieut. (J. G.) A. C. Mandeville, and Lieut. (J. G.) N. R. Stiles.

News from Central China

A Chinese middle school situated outside the East gate of Loyang was recently looted by bandits and the headmaster and the pupils were taken away as hostages. Most of the pupils have now been released, but the headmaster is still detained for ransom. The price set upon the head of the pedagogue is \$5,000 and 100 revolvers.

Nine shops outside the city of Nanchang were looted by soldiers and robbers on the night of September 5, when the looters suddenly broke into the shops and attempted to loot the whole community. The local garrisons were speedily summoned to the scene, and they suppressed by force of arms the looting gang, as a result of which twenty-seven outlaws were killed.

It is reported that at Kaifeng the cholera epidemic has become so severe that over thirty-five cases are occurring daily. The sufferers are mostly among the Chinese working class. In view of the spreading epidemic, the local Red Cross chapter at Kaifeng recently conducted a campaign against flies offering a reward of ten coppers for every ounce of flies caught.

General Li Lieh-chun, commander of the recent southern expedition into Kiangsi, is now in Changsha, Hunan, recuperating his health in a foreign hospital. General Li came to Changsha after the debacle of his forces in Kiangsi, and was cordially welcomed by Commander Chan Heng-ti of Changsha, the Peking government has sent several invitations to General Li Lieh-chun to come to Peking and assist in the reunification of China.

General Chen Hsu-fan, who since last year has been in occupation of the Shihnan district in western Hupeh and has been holding up the transport of Shensi produce to the Hankow market, has now been driven out by the forces of General Wu Hsin-tien. Communications along the Han River consequently have been restored, and wood oil, lacquer, cowhides and various other produce from Shensi province are being brought in regularly to Hankow.

The Hupeh Lottery Bureau has received instruction from the Tsuchun to liquidate all present business and wind up. After the liquidation of the present lotteries now in the market, the bureau is instructed not to issue any lottery permits as a presidential mandate to this effect has already been issued by Peking. Local dealers in lottery tickets are protesting against the suspension of their business, and are urging the provincial governor to continue lottery issue.

Through America

via **THE MILWAUKEE RAILWAY**

(The Puget Sound Electric Route)

A short, quick and most comfortable route across the American Continent over the

World's Longest Electricified Railroad

For 649 miles over four mountain ranges mighty electric locomotives, using "White Coal" for power, haul the splendidly equipped all-steel transcontinental trains

"*The Olympian*" and "*The Columbian*"

from Seattle and Tacoma daily for Spokane, Butte, Minneapolis, St. Paul, Milwaukee and Chicago.

"*The Pacific Limited*"

from San Francisco to Chicago via Southern Pacific, Union Pacific and Milwaukee Railways.

At Chicago connections are made with fast express trains for the Atlantic Seaboard and all points east. Rail orders and full information respecting train schedules, connections, fares, etc., on application to your steamship agent or at any office of Thos. Cook & Son in the Orient.

For sleeping car reservations, write, cable or wireless any of the following representatives of the

Chicago, Milwaukee & St. Paul Railway

Cable Address: "Milwaukee"

Seattle	San Francisco
J. F. Bahl, City Pass'r Agent	C. H. Miles, Gen'l Agt. Pass'r Dept.
2nd and Madison	995 Monadnock Bldg.
Vancouver	Victoria
Geo. W. Hibbard, Gen'l Agent	F. O. Finn, General Agent
626 Hastings St., West.	902 Government St.
A. P. Chapman, Jr., Asst. Gen'l Passenger Agent, 663 Stuart Building, Seattle	Geo. B. Haynes, General Passenger Agent, Chicago

AMERICAN TRADING COMPANY

SHANGHAI

TIENTSIN

HANKOW



HEAD OFFICE: 25 Broad Street, New York

"MOW SUNG YANG HANG"



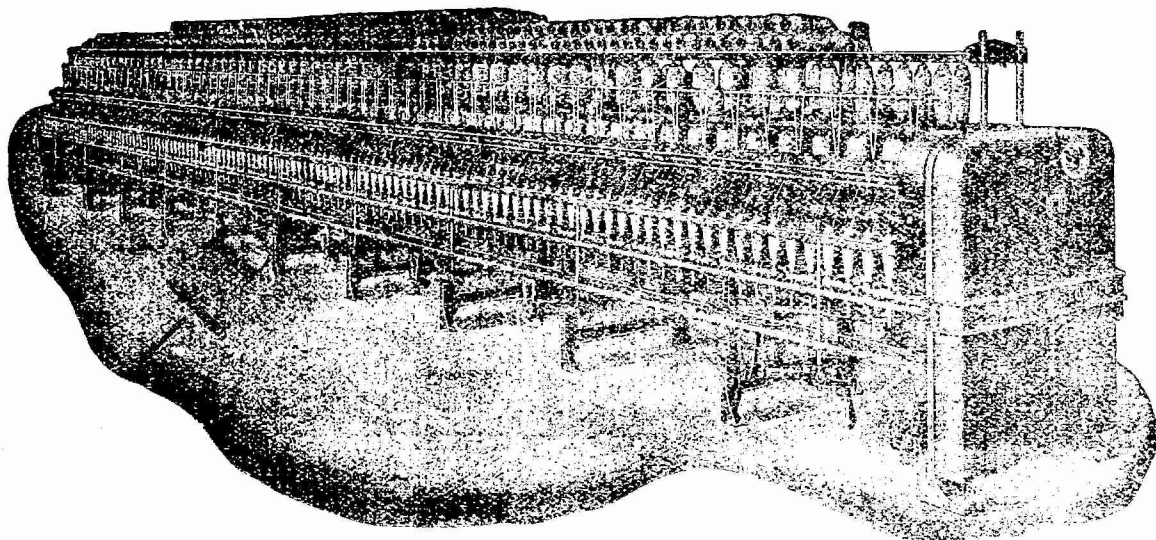
行 洋 (Established in China 40 years) 生 茂

IMPORTERS EXPORTERS ENGINEERS CONTRACTORS

3 Canton Road, Shanghai

General Cable Address: AMTRACO

COTTON MILL MACHINERY



Spinning Machine
manufactured by

Saco-Lowell Shops



Andersen, Meyer & Co., Ltd.

Agents in China



The Chinese American Bank of Commerce

中華懋業銀行

Established by American and Chinese capitalists under special charter of the Government of China, April 12, 1919.

Authorized Capital U. S. \$10,000,000

Paid-up Capital U. S. \$ 5,000,000

Head Office: PEKING

Branches:

Hankow, Harbin, Manila,
Peking, Shanghai, Shihkiachwang,
Tientsin, Tsinan.

Correspondents throughout the world,
including the interior of China.

The Bank receives deposits; grants loans; issues drafts and makes telegraphic transfers; buys and sells foreign exchange; issues commercial and circular letters of credit; collects bills, checks and other documents; and does other general banking business.

SHANGHAI BRANCH

No. 11A Nanking Road

Telephone Nos. Central 5841, 5842 & 5843.

E. KANN, Manager

SOOYH K. SHEN, Assistant Manager

LOUIS SHEN, Assistant Manager

General Hsiung Keh-wu has sent agents to the provinces of Yunnan, Kweichow, Hunan, Kwangsi and Kwangtung to propagate the provincial autonomous government principle in the hope of urging these provinces to adopt this system. Szechuen province is also making preparations to invade Hupeh, and the so-called "Heavenly Army," a religious sect of troops in western Hupeh, are suspected to be working in harmony with the Szechuen forces in creating disturbances in that region.

Eight Chinese in possession of fire arms were arrested in the Japanese concession, one in the French concession and six in the Chinese territory in Hankow by the joint action of foreign and Chinese police stations. Besides large quantities of fire arms, the arrested were also found in possession of the spoils of looting, and are suspected to be seeking refuge in Hankow after committing looting in some outport. They were turned over to the Chinese authorities in Wuchang for trial and treatment.

Admiral Tang Hsiang-ming, who was appointed by President Li Yuan-hung to the post of civil governor of Hupeh, has sent another representative to Peking to report to the president the stubborn refusal of the Hupeh Tuchun, General Hsiao Yao-nan, to hand over to him the official seals of civil governor. Admiral Tang proposes to return to Peking, now that militarists are running the civil administration of Hupeh and absolutely refusing to allow him to assume charge of the civil governorship.

A letter from Kaifengfu, Honan, according to *Reuter*, says that three Japanese women reported to have been taken away by Honan bandits at Shanchow are now at liberty. One of the three women was held by the outlaws for twelve hours before release, but no particulars regarding the other two are available. The others of the party carried away by the brigands, including two foreign engineers of the Lunghai railway, are still in the hands of the brigands, although pressure is being brought to bear on the Honan authorities by Consuls in Hankow.

H. S. Chuck, chief engineer of the China International Famine Relief Committee of Hankow, and manager of the Pacific Trading Company, has left Hankow for Shasi to inspect some of the river dykes recently damaged by the high water of the Yangtze. The Yangtze water is unusually high this year, and reports from Shasi state that the water level is more than half a foot higher than that of last year. From Shasi Mr. Chuck will travel overland to the Han River where he will supervise the dyke construction work now in progress there.

According to a traveler who has arrived in Hankow from Loyangfu, General Wu Pei-fu's preparations for an immediate attack upon Chang Tso-lin are now complete. General Wu has not only got four divisions of troops well distributed and arranged ready for the attack, but he is also alleged to have sent agents to Manchuria to investigate the revolt against the Fengtien warlord among the Manchurian Tuchuns. The only predicament that now handicaps General Wu from taking immediate action is said to be the lack of funds to pay the army and military expenditures.

Hunan is facing another crisis in the approaching conflict between Chao Heng-ti and General Chen Chia-yu who is occupying Hengchow and neighboring districts. General Chao has sent 15,000 troops from Changsha to Hengchow with the view of attacking and dispersing Chen Chia-yu's troops before they make further trouble in southern Hunan. Many of the Hunan commanders, however, are now taking side with Chen Chia-yu in a movement to oust Governor Chao Heng-ti from Changsha. There have been a number of skirmishes at Hengchow, and Chen Chia-yu's troops have retreated to Paoching and Kiyang.

In order, to seal his friendship with Dr. Sun Yat-sen, former president of Canton, General Wu Pei-fu sent a telegram on Monday to Tuchun Hsiao Yao-nan of Wuchang informing him that Dr. Sun is in a most impecunious state in Shanghai and instructing him to remit to Shanghai without fail within three days \$100,000 of Hupeh funds to the retired president of the South. According to information received in Hankow, a definite friendly understanding has been arrived at between General Wu Pei-fu and Dr. Sun Yat-sen with whom Marshal Tsao Kun is also joining hands. The object of the partnership of the three is said to be the final upset of Chang Tso-lin and the stop of the ever spreading movement of autonomous government in the provinces.

Hankow, September 10, 1922.

CAPITAL \$4,000,000
SURPLUS \$2,000,000



ASIA BANKING CORPORATION

an American Institution

HEAD OFFICE FOR THE FAR EAST
Kiukiang and Kiangsoo Roads
SHANGHAI

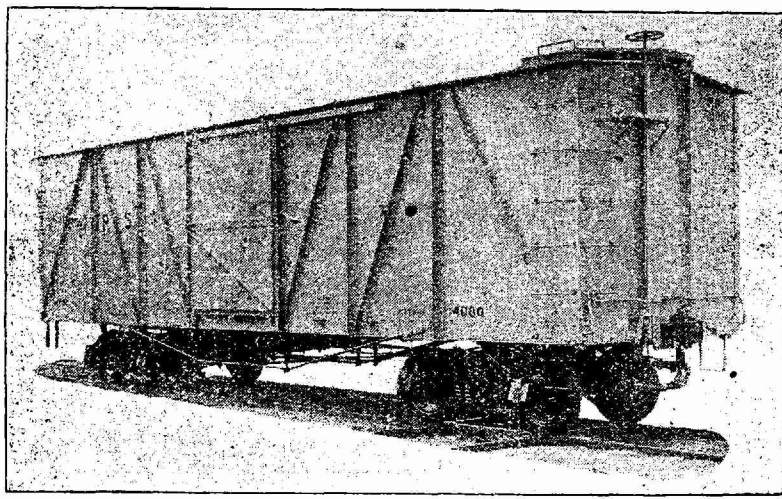
Current, Savings Accounts and Fixed Deposits in U. S. Gold,
Sterling, Francs, Taels and Local Currency.
Drafts Bought, Sold and Entered for Collection.
Commercial and Travelers Letters of Credit.
Telegraphic Transfers to All Parts of The World.
Foreign Exchange Bought and Sold
Credit and Commercial Information or Advice.

Through Our Correspondents in All Parts of The World we
are qualified to render an International Banking Service that
is Economical, Accurate and Prompt.

BRANCH OFFICES
PEKING, TIENSIN, HANKOW, HONGKONG, CANTON,
SINGAPORE, MANILA, SAN FRANCISCO

HEAD OFFICE IN THE UNITED STATES
38 BROADWAY, NEW YORK CITY

All the world over



40-ton, Covered Car

The General American Car Company, numbering among its patrons concerns in every country, serves all nations, as it serves all industries. In applying the best principles of American car building practice to the varying needs of different peoples, General American engineers have naturally become unusually expert in adapting construction to suit foreign conditions.

Large repeat orders from Chinese Government Railways testify to the standing of General American cars in the Orient. The above is a 40-ton, covered car with 80,000 pounds capacity.



The responsibility of the Company is well-known in all commercial and financial centers. Consultation with the Company's engineers entails no obligation. Write any of the addresses below.

太
康
洋
行

GENERAL AMERICAN CAR CO.

General Office: Harris Trust Building, Chicago, U. S. A.

SALES OFFICES:

17 Battery Place, New York; 24 California Street, San Francisco.

Cable Address: "Gentankar, Chicago," All Codes.

References: Any International Banker.

Far Eastern Office:

Peking, 36 Ma Shih Ta Chieh

Cable Address: "FOWLERCO—PEKING"

GENERAL AMERICAN CARS

International Banking Corporation

Capital U. S. \$ 5,000,000

Surplus & Undivided Profits.. U. S. \$10,424,763

Owned by the National City Bank
of New York.

Head Office:

60 WALL STREET, NEW YORK

London Office:

36 BISHOPSGATE, E. C.

Lyons Office:

27 PLACE TOLOZAN

San Francisco Office:

232 MONTGOMERY STREET

BRANCHES:

CHINA

SHANGHAI
PEKING
TIENTSIN
HANKOW
HARBIN
HONGKONG
CANTON

INDIA

BOMBAY
CALCUTTA
RANGOON

JAPAN

YOKOHAMA
KOBE

JAVA

BATAVIA
SOURABAYA

PHILIPPINES

MANILA
CEBU

SPAIN

BARCELONA
MADRID

STRAITS SETTLEMENTS

SINGAPORE

DOMINICAN REPUBLIC

SANTO DOMINGO
SANCHEZ
SAN FRANCISCO de
MACORIS
SAN PEDRO de MACORIS
SANTIAGO
PUERTO PLATA
BARAHONA
LA VEGA

PANAMA

PANAMA
COLON

We are also able to offer our Customers the services of the Branches of the National City Bank of New York in the principal countries of South America Central America and in the West Indies.

Commercial and Travellers' Letters of Credit, Bills of Exchange and Cable Transfers bought and sold Current accounts opened and Fixed Deposit in local and foreign currencies taken at rates that may be ascertained on application to the Bank.

H. C. Gulland, *Manager.*

1A Kiukiang Road,
SHANGHAI

News from South China

The return of the militarists to power in Canton may check further municipal progress. The American commission form of government adopted in Canton, March, 1921, will probably be modified, if not entirely abolished. When the Canton Municipality was under the management of young men educated abroad, much progress was made, especially along the lines of sanitation and public improvement. The less informed Canton citizens and the older merchants are not very favorable to the new form of government, because of the reforms which usually do not at first appear to be beneficial. The exercise of the power of eminent domain by the Municipality and the too close inspection by the health authorities in certain matters are things sometimes hurtful to many directly, while the public only indirectly enjoys the benefit. The Canton City Council will meet again soon to reconstruct the policy and program of the Municipality, provided it will be permitted to last its term. According to the city charter, the present organization of the Municipality cannot be changed within five years from March 1921; but militarism will not respect law or order.

The Week in the Far East

(Covering the period from Wednesday, September 13, to Tuesday, September 19.)

The resumption of the Changchun conference between Russia and Japan through a compromise as to the scope of the discussion, the efforts of the Peking government to arrange a loan of \$10,000,000 on the unencumbered portion of the Russian Boxer Indemnity, the resignation and reorganization *en bloc* of the Peking cabinet near the close of the second session of Parliament, and the Chinese movement to reorganize the Mixed Court in Shanghai, furnish the features of events during the week under review.

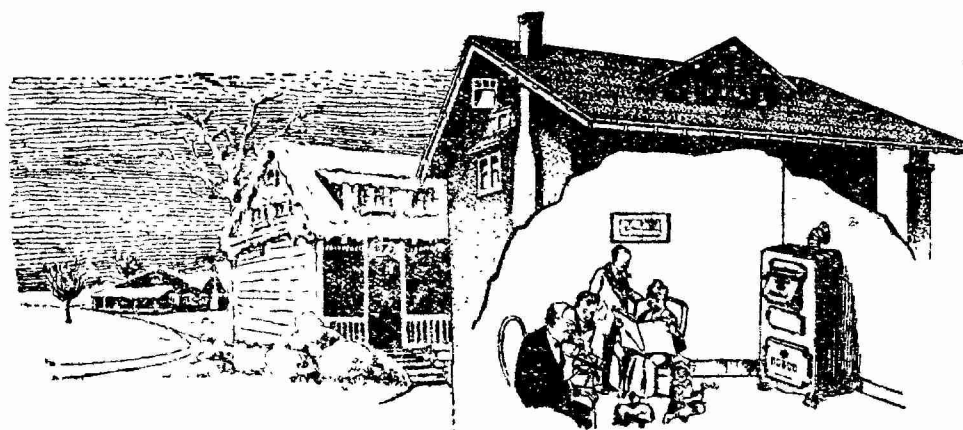
Japanese and Russians at Changchun agreed to discuss a general trade agreement the scope of which would be limited to Far Eastern questions only. The Japanese press referring to the resumption of the Changchun Conference generally expresses the hope that Russia will not put forward any more proposals aggravating the situation as in such a case the Conference would certainly break down.

The *Fiji* and other papers are of the opinion that Japan, in agreeing to the Russian proposal, has not yielded but has been moved by the eagerness of the Russians. The paper suggests that, if questions concerning Great Russia may not be settled, Far Eastern problems will be solved, as this is the principal object of the Conference. Neither the recognition of Soviet Russia nor a loan to Russia will be discussed.

It is stated that acting on the instructions of the Senate to open negotiations with Soviet Russia regarding Outer Mongolia as soon as possible, the Cabinet has arranged with Mr. Yoffe for a Sino-Russian conference at an early date. This meeting is to be held in Peking in the near future and the discussions are expected to cover all questions pending between the two Powers concerned. The holding of this conference will not imply recognition of the Russian Soviet Government by China. At the same time, Parliament sent its official despatch to the Government urging the opening of negotiations with the Yoffe mission concerning the restoration of Outer Mongolia, it added unconditionally that unless Urga and its neighbourhood be evacuated by the Red troops and the Mongolians and Chinese permitted to settle their own domestic disputes without outside interference China cannot and will not consent to open commercial negotiations. The Russo-Chinese negotiations will be opened in Peking after the return of Mr. Yoffe from Changchun.

The Ministry of Finance of the Peking government hit upon the plan of a ten million dollar exchequer loan based for security on the suspended Russian share of the Boxer Indemnity and the sinking fund previously designated for the 7th year public loan. The inspector general of customs approved the loan, which seemed about to be realized, when the Chinese bankers approached, suggested that the loan be used for the payment of obligations falling due to them. Foreign banks question the legality of the hypothecation of the Russian Boxer Indemnity, to which the government has made no reply. The loan proposed is for a short term, and was intended to tide over the Mid-Autumn Festival when the government must meet about \$8,000,000 liabilities.

On the 14th, when Minister of Justice Chang Tao-tseng presented his resignation, claiming that he had only accepted the post to aid Tang Shao-yi who had not become premier, on the suggestion of acting premier Dr. Wang Chung-hui, the



The Time Will Soon Come

—when cold drafts and unfavorable weather keep people indoors most of the day. It is then that every one appreciates the cosy warmth of a home heated with

ARCOLA Radiator Boiler

With one fire only, this hot water system heats

many rooms in the most healthful manner by means of connected radiators. The control is automatic; appearance neat; absolutely safe and above all does not waste your fuel.

Investigate the Arcola system and make ready for the coming winter. Estimates gladly furnished.



Andersen, Meyer & Co., Ltd.

Yuen Ming Yuen Road

SHANGHAI
H 15

Tel. Central 778



ADVERTISING IN THE INTERIOR

We offer a service whereby your sales message can be carried to any part of China, at half the cost of any other medium. Made of strong galvanized iron sheet, size 31 x 43,"

ONE SHEET PAINTED BULLETINS

placed in vital locations in the towns and villages of the interior will bring you results. The expense of printing posters is eliminated. Designs may be changed if desired.

PERMANENT and ECONOMICAL

THE ORIENTAL PRESS
ADVERTISING DEPT.

113 Avenue Edward VII.

ISN'T IT

cheaper to pay a PURCHASING AGENCY 5% and get the benefit of an intimate knowledge of market prices and special discounts—than to stumble around and buy in the dark?

Quotations, samples and other information promptly furnished.

德
士
勒
探
辦
行

Deshler Purchasing Agency

WHITEAWAY-LAIDLAW BUILDING, SHANGHAI, CH NA.

TELEPHONE CENTRAL 785

CODES:

TELEGRAMS:
"DESHLER, SHANGHAI"

WESTERN UNION 5 LETTER
AND
BENTLEYS



SHOOTING SEASON!

WHAT IS IT YOU
NEED THIS YEAR?
OUR STOCK IS COM-
PLETE! GUNS, AM-
MUNITION CLOTH-
ING, ACCESSORIES.

Send for list.

SQUIRES BINGHAM COMPANY

Sportsman's Headquarters
SHANGHAI

EQUITABLE

Eastern Banking Corporation

行 銀 通 大

Capital ... U. S. \$2,000,000
Surplus & Undivided Profits ... U. S. \$ 800,000

HEAD OFFICE:

No. 37 Wall Street, New York
Members American Bankers' Association

Correspondents:

The Equitable Trust Company of New York
New York London Paris
Mercantile Trust Co., San Francisco, Cal. The North-
western National Bank of Portland, Ore. Citizens
National Bank, Los Angeles, Cal.

SHANGHAI BRANCH:

1 Kiukiang Road

Telephone { Central 1164—Manager
Central 2012—General
Central 1140 (T. T. Dept.)

CURRENT AND FIXED DEPOSITS ACCEPTED

Interest rates on application
Telegraphic Transfers & Drafts bought & sold

JAS. J. ROGERS }
E. C. FUNCK } *Managers*

entire cabinet resigned in a body. The President had asked Dr. Wang to form a new cabinet with the following plan in view, according to the Peking press:

"In the first place, President Li will issue a circular telegram to the country, setting forth the circumstances in which the nomination of the Tang Cabinet was returned to the Government. This done, he will appoint Dr. Wang Shuli Premier with the personnel of the whole Cabinet unchanged. President Li contends that the title of Acting Premier has lost its *raison d'être* with the return of the Tang nomination and that a Shuli Premier is the only device to meet the new exigency. He hopes that he will be able to make this appointment before the Mid-Autumn Festival. The last step is to nominate Dr. Wang for the formal Premiership and send the nomination for the approval of Parliament. This, however, will not be done until some time after the festival."

While no cabinet ministers attended the closing session of Parliament on the 18th, their resignations had not been accepted. The reason given was that certain financial arrangements were in progress which the appointment of a new cabinet would interrupt.

With regards the Mixed Court in Shanghai, it is reported that the Peking Foreign office is to submit the following proposals to the Diplomatic Corps:

1. Any case in which the litigants are all Chinese, shall be tried by the Chinese authorities alone at the evening sessions at the Mixed Court. 2. Cases between or affecting nationals of foreign countries, whose consular jurisdiction in China has been abolished, such as Russians and Germans, shall be tried by Chinese authorities alone at the Mixed Court. 3. New judicial officials shall be appointed by the Chinese Government on the recommendation of the Ministry of Justice. 4. A Court of Appeal shall be established.

Chen Chiung-ming, head of the Southern government has recently addressed a communication to General Wu Pei-fu stating that he cannot abandon the principle of federal autonomy to which the latter takes exception. Chen declares that when he succeeds in carrying out his scheme, he will remit revenue collected in Kwangtung to Peking for the support of the Central Government.

The Kiangsu members of Parliament are taking exception to the reported attempt of Chang Chien, builder of the Nantung Model City, to conclude a big Japanese loan. They have submitted a petition to the Kuowayuan requesting it to cancel the appointment of Chang Chien, Jr. as Industrial Commissioner to Europe, America and Japan, fearing that he may negotiate for the proposed Japanese loan during his stay in Japan. The Waichiaopu has also been asked by them to cable to the Chinese Chargé d'Affaires in Tokyo, instructing him to prevent Chang from concluding a loan with the Japanese financiers.

Hsu Shu-tseng, the Anfu leader, better known as "Little Hsu," who recently returned to the limelight by means of his book entitled "Fundamentals of National Reconstruction," is reported to be in hiding at Tientsin. Living with Tuan Chi-kwei, nephew to Tuan Chi-jui, Little Hsu has been reviving his activities with his former confederates. His alleged presence at the Northern port has attracted much attention from Peking.

The Peking-Hankow and Loyang-chengchow Railways are busy with military transportation. Three divisions of Chihli troops are concentrated at Chengchow ready for immediate despatch. Four hundred thousand piculs of rice are being transported by trains from the Hunan border to the North. A large number of cargo trains have been placed under the control of the Chihli commissariats.

In a telegram to Tuchun Hsiao Yao-nan of Hupeh, Gen. Wu Pei-fu states that while he has no intention to launch an offensive against the Fengtien troops, he must prepare for war. Tuchun Hsiao is asked to urge the Hanyang Arsenal to work day and night.

According to a report, three mixed brigades, two brigades of cavalry and one detachment of artillery have been despatched to Shanhaikwan by Chang Tso-lin. As a counter-move, Gen. Wu has transferred the 23rd division, hitherto stationed at Machang to the vicinity of Shanhaikwan. Owing to the grave situation in Szechuen, Gen. Wu has decided to postpone the despatch of Gen. Chang Eu-lai's army to the North and has ordered it to remain at the Szechuen border.

The Wuchang-Changsha section of the Canton-Hankow Railway was temporarily strike-bound. The Railway Administration at Wuchang attempted to minimize the effect of the strike by engaging Tientsin workmen to replace the strikers. Traffic was resumed under the protection of troops, but when the train reached Yochow, it was obstructed by over one hundred strikers who lined themselves on the

railway tracks. The troops charged the strikers with the result that about ten of them were killed and forty wounded. A large number of workmen, who were panic-stricken, jumped into a river nearby and were drowned.

The exponents of the doctrine that all treaties signed by the Presidents of China since the dissolution of Parliament should be submitted to that body for approval seem to have won out. They have contended that no treaty would be legal until Parliament has passed on it and now that it has formally been convened these documents should be submitted to it for action.

It was learned that the first step in this direction was taken when the Foreign Office turned over to the President by way of the Cabinet these treaties which the President will later hand over to Parliament.

The following is a list of the nine agreements entered into by Chinese during the period in question:

1. Friendly Intercourse Treaty with Chile
2. Friendly Intercourse Treaty with Persia
3. Friendly Intercourse Treaty with Switzerland
4. Treaty of Peace with Germany
5. International Law Courts Convention
6. International Postal Convention
7. Treaty giving principles and policies toward China in Nine Power Agreement
8. Treaty concerning Chinese Customs in connection with Nine Power Agreement
9. Treaty for recession of Shantung to China, signed with Japan.

Teachers in the eight government schools in Peking are perplexing the government with their threat of not opening school unless they receive three months' pay first. The government has raised about a half month's pay and Marshal Tsao Kun donated \$120,000, which will pay another half month of their salaries.

On the recommendation of the Minister of Communications, Kao En-hung, a mandate was issued ordering the arrest of the former Vice-Minister of Communications, Cheng Hung-nien, and two other former members of the Chiao-tung-pu staff. Ho Jui-chang and Chow Ching-hua. The mandate explains that investigation of the recent strikes and disturbances on the Peking-Suiyuan and Peking-Hankow railways has revealed that they were due to agitation instigated by the three former officials in question. Presumably their motive was to embarrass the present administration.

The Sino-Japanese Conference on Postal Affairs now being held in Peking is said to be a purely technical one the object of which is to make arrangements, for mutual benefit, to facilitate postal relation between the two countries after the withdrawal of the Japanese post office, in pursuance of the resolution taken at the Washington Conference.

In the case of Japan the question of abolition of postal agencies in China assumes far more important and complicated aspects than in the case of other Powers concerned, and consequently its execution involves many technicalities which are by no means easy or simple. For instance, the Japanese postal agencies to be abolished number sixty-five with ninety-three stamp agencies and 148 mail boxes, while the members of the staff in the service are 693. According to the statistics of 1920, 57,097,627 pieces of mail matter were handled by these sixty-five offices in that year. That is to say over seven percent, of the Chinese mails handled by the entire Chinese postal service in a year. The number of postal parcels handled by the Japanese offices in the same year amounted to 915,000, or eleven percent of those handled by the Chinese post offices throughout China, and in the money order and savings bank services these Japanese post offices transacted business to the enormous extent of Yen 91,286,400, or about seventy-eight percent of those handled by the Chinese post offices.

A severe gale struck Hankow early Sept. 17, and continued all day. Heavy damage was caused, many sampans, motor boats and launches being sunk, while the Bund was covered with stones, wreckage and broken pontoons. It is feared that many Chinese were drowned.

Considerable excitement in Manila has been created by the dismissal of Professor Austin Craig from the University of the Philippines. Professor Craig wrote articles in the Manila press rebutting an address given by a fellow professor at the University in which the latter held that the Filipinos were of low mentality and a preponderant number of them morous. Maximo Kalaw, a dean in the University, leads a faction who desire the resignation of President Benton and a reorganization of the method of administration, now in the hands of appointed regents.

GENERAL NEWS SUMMARY

September 12. London: French and Italians to cooperate with British in maintaining neutral zone around Dardanelles against Kemalists, calming fears of break in Anglo-French Entente. Late Lord Northcliffe's personal estate estimated at £2,000,000.—Washington: Soldiers' Bonus bill, amended to eliminate its financing by interest from foreign debts, goes to President Harding. Shipping Board accepts bid of \$750,000 for 226 ships which cost \$300,000. Maine state elections, regarded as barometer for other state elections, carried by Republicans, with Democrats showing increased strength.—Warsaw: Poland expected to be paralyzed by railroad strike.

September 13. London: Hope of conference at Venice to settle Graeco-Turk hostilities in Asia Minor, is abandoned. Kemalists continue advance, while Jugo-Slavia and Rumania prepare to aid Greeks.—Washington: Secretary of Labor announces virtual settlement of railway strike in 35 percent of companies involved.—Geneva: Third Commission of Assembly of League of Nations approves scheme for general disarmament conference.

September 14. London: \$50,000,000 conflagration practically wipes out Smyrna, adding to panic of city's capture by Turks. Note from Moscow states Russian satisfaction at Turkish victories.—Washington: China Trade Act passes Senate. British registered schooner is seized 23 miles off United States coast and \$56,000 worth of liquors seized.—London: Dublin is again disturbed with bomb-throwing and street-fighting.

September 15. London: Turks demand recognition of sovereignty over Asia Minor and Thrace and full indemnity as only possible terms for armistice. British strengthen their forces in neutral zone along the Straits, calling on the Dominions for assistance.—Geneva: Brazil announces unwillingness to participate in disarmament scheme, which action, following Argentine's withdrawal from League, causes apprehension of break between South America and League.—Christiana: Queen of Holland and Prince Henry visit Norway.

September 16. Paris: Turks issue official request to people of Constantinople to await national army and not start insurrectionary movements. London: New Zealand will respond to England's call for aid. Turks claim to have arrested Greeks and Armenians who confess to having set fire to Smyrna. President of German Reichsbank visits Bank of England. It is reported that the Bank of England will pay Belgium indemnity due from Germany for six months' period, allowing Reichsbank 18 months in which to repay it.—Washington: The Fordney Tariff bill passes the House of Representatives.—Mexico City: House of Representatives agrees to resumption of payment of Mexico's debts.

September 17. London: Kemalists claim to have captured 7,000 of "last Greek army in Asia Minor." Belief is that Russian Bolsheviks made Turk military successes possible by supplying Kemalists with munitions and aeroplanes. Daily Mail is against government policy of keeping Turks from Europe though favoring "freedom of Straits."—Melbourne: Australia to send a contingent to Asia Minor.—Berlin: An agreement has been made between South German and French groups of industrialists for restoration of French devastated regions by German labor and materials. Bavarian government bars tourists because of acute economic situation.—Detroit: 100,000 employes may be laid off if Ford Motor Works closes down because of high price of coal.

GRAND HOTEL KALEE

Cable Address "Kalee," Shanghai

130 Rooms, each with private bath.

Best Cuisine in Shanghai.

Commodious lounge, reception rooms, etc.

When in Shanghai Stop at the

GRAND HOTEL KALEE

Centrally located at Kiangse and Kinkiang Roads

SHANGHAI

A. MILDNER, Manager.

Weekly Cotton Market Report

By A. B. Rosenfeld & Son

China Cotton:—Since writing our last report, our market experienced a sharp advance due to the shorts covering on the Bear side on account of further rains and a heavy blow. At the close, the Bears, taking advantage of the continued favorable weather, succeeded in hammering prices back to their former low level, but the only effect so far has been the stampede of the more timid Longs. Business during the week was practically at a standstill and what little business was transacted was done with repeated attempts to bring about speculative scares. The actual damage from these rains and typhoon will probably prove of much consequence, as these weeks are the most important for the crop.

Under the circumstances, therefore, we do not think that the recent advance has been excessive, and while any calculation involving the future course of prices is dependent on developments regarding the crop, we believe with the outlook as it presents itself at present, the chances for successful operations still lie on the Bull side. So that if any temporary weakness should develop in the speculative markets, we could only advise our friends to take advantage of such moments to buy.

Yarn—During the past week there has been no change in the fundamental conditions of the market. Fluctuations were within narrow limits and with a steady tendency at the close of the week. Some 3-4,000 bales of local spinnings have been booked for export to Szechuen, Kiangse, Canton, Weihaiwei, Swatow, Tientsin and Hankow.

Liverpool, September 14, 1922.

Liverpool Markets:—

Middling American, Spot 13.32 Pence
 " " October 12.58 "
 " " January 12.30 "

Market:—Steady.

New York, September 14, 1922.

New York Market:—October 21.47 Cents
 December 21.76 "
 January 21.65 "
 March 21.72 "
 May 21.67 "
 Spot 21.75 "

Market:—Steady.

Bombay, September 14, 1922.

Bombay Market:—

Broach, F. G. April/May Rps. 476 per Khandy,
 Fully Good Bengal, Dec/Jan " 353 "
 Fine Oomra, Sept " 483 "

Market:—Steady.

Shanghai Market:—

Tungchow, November/December/January Tls. 29.50
 Shanghai, November/December " 28.50
 M-ginned, November/December " 28.50
 Taichong, November/December " 29.00
 Ningpo, Spot " 30.50

Market:—Steady

Former Shanghai Business Man Dies in Chicago

Leopold Jacob, former prominent resident of Shanghai and manager of the China and Java Export Company here, died at his home in Chicago, on September 6, according to word received by cable. Mr. Jacob was forty-five years old and had been associated with the China and Java Company for thirty years or more. Previous to coming to China Mr. Jacob was for ten years in various cities in Europe and retired from active participation in the Far East about two years ago.

Mr. Jacob was at one time treasurer of the American Chamber of Commerce, Shanghai, and was a member of the American Association and one of the founders of the American Club.

He was prominent in Masonic circles and will be remembered particularly also for his untiring efforts here during the various Liberty Loan, Red Cross and other American drives conducted during the war. Besides taking a leading part in the campaigns for funds he was one of the most liberal contributors to the various causes.

He is survived by a sister in Chicago.

Shanghai Exchange for Week Ending Wednesday, September 13th, 1922

By Maitland, Fraron and Brand

Exchange:—The London price of silver at 35½d. ready and 35½d. forward is ½d. and ¾d. down respectively since this day last week; only minor fluctuations have occurred and latest advices indicate that the market is quiet and steady, with India a small buyer. Locally the official T/T rate on London is ½d. down at 3/5½d, business still remains on a very small scale, but the tone of the market seems steady. Speculators have again supported the market, but not to any large extent, the demand from importers is insignificant and export paper still very scarce. At the close sterling is offering at 3/5½d for near delivery with about ½d. a month higher up to December. The New-York/London rate is easier at 44½

Our stocks of silver are reported as follows:—

Sycee and Bar Silver Tls. 41 300,000 an increase of Tls. 56,000.

Chinese and Mexican Dollars \$ 35,630,000 an increase of \$ 1,240,000.

Estimated value Tls. 66,953,000 as against Tls. 43,832,000 held at this time last year.

	Average rates for August	Thurs. Sept. 7	Friday Sept. 8	Sat. Sept. 9	Mon. Sept. 11	Tuesday Sept. 12	Wed. Sept. 13
Rk's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T London	3/5.—	3/5½	3/5½	3/5½	3/5½	3/5½	3/5½
D/Dts. "	—	3/5½	3/5½	3/5½	3/5½	3/5½	3/5½
4m/s "	—	3/5½	3/5½	3/5½	3/5½	3/5½	3/5½
T/T India	261.788	265	265	265	265	265	265
T/T France	959.231	980	995	990	995	1000	1005
T/T N. Y.	76.298	77½	77	77	77	77	77
T/T H'kong	75.269	74½	74½	74½	74½	74½	74½
T/T Japan	63.010	62½	62½	62½	62½	62½	63
T/T Batavia	199.135	200½	200½	200½	200½	200½	200½
T/T Straits	68.413	67½	67½	67½	67½	67½	67½
Rk's buying rates							
4m/s B/L. } Cred, D/A }	3/7 481	3/8	3/8	3/8	3/8	3/8	3/8
4m/s " D/P	—	3/8½	3/8½	3/8½	3/8½	3/8½	3/8½
6m/s " D/A	3/7.981	3/8½	3/8½	3/8½	3/8½	3/8½	3/8½
4m/s B/F. } C., D/A, D/P }	1,009.231	1030	1045	1040	1045	1050	1055
4m/s N.Y.	80.298	81½	81	81	81	81	81
4m/s " Docs	—	81½	81½	81½	81½	81½	81½

Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Sept. 7	Sept. 8	Sept. 9	Sept. 11	Sept. 12	Sept. 13
* London Price of Bar Silver per oz. (English Standard 925 touch) Pence.	35½	35½	35½	35½	35½	35½
* N. Y. Price of Bar Silver per oz. (Pure)	G. \$ 70	G. \$ 70½	G. \$ 69½	G. \$ 69½	G. \$ 69½	G. \$ 69½
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch)	Tls. 300.00	Tls. 304.00	Tls. 303.00	Tls. 303.00	Tls. 304.00	Tls. 304.00
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	111.00	111.00	111.00	111.00	111.00	111.00
Shanghai Mexican Dollars per \$100	72.3875	72.2375	72.175	72.175	72.1625	72.175
Native Bank Rate of Interest (Call money)	4%	4%	4%	4½%	3%	3½%
* Closing Price in London for Previous day.						
** Closing Price in New York for Previous day						

Bank of England rate of discount	3%	London on Paris	T/T 58.17
Bank of France rate of discount	4½%	London on Germany	T/T 67½
Bank of German rate of discount	7%	New York on London	T/T 44½
London open Market rate of Dis.	3 m/s. 2½%	Bombay on London	T/T 1/3½
" " 4 m/s. 2½%		Hongkong on "	T/T 2/6½
" " 6 m/s. 2½%		Yokohama on "	T/T 2/1½

What the Ships Carry between America and China

Returns of the Shanghai Customs

(Keys Pls.—1 Picul or 133 1/3 pounds; Bts.—Bales; Pcs.—Pieces; Mils.—thousands; Hk. Tls.—Haitwan Tael, Customs Rate July Tael 1.14 equal Gold \$1)

<i>S. S. Huftero, from U. S. A., July 24.</i>			Leadfoil and Tinfoil Pls.	2,291	Tea, Green:	
Cotton Duck Yds.	5,797		Leather, Calf "	6	Gunpowder, Kiukiang Pls.	2
Iron Angles Pls.	2,025		Naphthalene "	182	Gunpowder, Ningpo "	205
Iron Bar Ends "	2,228		Paper, Cardboard "	333	Hyson, Kiukiang "	56
Iron Beams "	1,886		Paper, Glazed Flint "	33	Hyson, other Ports "	43
Iron Bolts and Nuts "	16		Paper, Writing "	44	Young Hyson, other Ports "	126
Iron Hoops "	420		Paper, Unclassed "	3	Camphor "	120
Iron Nails, Wire "	4,125		Soda, Sulphate of "	29	Feathers, Fowl "	117
Iron Pipe Fittings "	139		Stearine "	84	Oil, Wood "	2,601
Iron Sheets "	702		Sugar of Milk "	34	Peas "	1,500
Iron Tubes "	547		Tobacco, Leaf "	2,165	Skins, Goat, Untanned Pcs.	33,141
Iron Galvanized:			Tobacco, Prepared "	3	Hats, Rush "	716,703
Sheets, Plain Pls.	1,623		Wax, Paraffin "	1,926	Foreign Goods.	
Tubes "	223		Pianos Pcs.	3	Skins, Goat, Untanned Pcs.	36,612
Tinned Plates, Plain "	548		Whisky Doz.	201		
Calcium, Carbide of "	17		Cigars Mille	30	<i>S. S. President Grant, from U. S. A., July 26.</i>	
Glucose "	255		Cigarettes "	61,500	Ammonia, Anhydrous Pls.	2
Leadfoil and Tinfoil "	1,830		Varnish Galls.	109	Cheese "	7
Leather, Kid "	1				Flour, Wheat "	788
Paper, Unclassed "	13		<i>S. S. Havana Maru, from U. S. A., July 25.</i>		Leather, Calf, Patent "	3
Stearine "	84		Typewriters Pcs.	40	Silk Thread, Artificial "	3
Tobacco, Leaf "	6		Cigarettes Mille	74,625	Motor-cars Pcs.	12
Tobacco, Prepared "	1		Machinery Hk. Tls.	124,306	Canned Fish Doz.	240
Oil, Lubricating Galls.	2,013				Cigarettes Mille	24,125
Oil, Kerosene, in Cases Galls.	499,570		<i>S. S. Korea Maru, August 4.</i>			
Bells Pcs.	1,152		To San Francisco.		<i>S. S. Telemachus, August 8.</i>	
Motor-cycles "	5		Tea, Black, Kiukiang Pls.	13	To Boston.	
Mirrors Doz.	3		Tea, Green:		Tea, Black, Hankow Pls.	208
Cigarettes Mille	66,975		Gunpowder, Ningpo Pls.	462	Tea, Black, Kiukiang "	24
			Gunpowder, other Ports "	17	Hides, Cow "	399
<i>S. S. Egremont Castle, August 2.</i>			Young Hyson, other Ports "	26	To New York.	
To Boston.			Antimony, Regulus "	1,848	Silk, Waste:	
Tea, Black, Hankow Pls.	80		Egg, Yolk, Dried "	39	Other Ports, Bts. 2 Pls.	3 24
Tea, Black, Kiukiang "	154		Tungsten Ore "	84	Tea, Black, Shanghai "	252
Tea, Green:			Carpets Pcs.	74	Tea, Black, Hankow "	776
Young Hyson, other Ports Pls.	98		To Los Angeles.		Tea, Green:	
Gunpowder, other Ports "	60		Egg, Albumen, Dried Pls.	15	Gunpowder, Ningpo Pls.	198
Hides, Cow "	715		To Philadelphia.		Antimony, Crude "	168
To New York.			Carpets Pcs.	31	Bristles "	88
Tea, Black, Shanghai Pls.	953		To New York.		Hides, Cow "	837
Tea, Black, Hankow "	172		Silk, Raw, Re-reeled:		Oil, Wood "	25,838
Tea, Black, Kiukiang "	393		White, other Ports, Bts. 215 Pls.	216.05		
Tea, Green:			Silk, Raw, Steam Filature:		<i>S. S. Hanna Nielsen, August 9.</i>	
Gunpowder, Ningpo Pls.	370		White, Shanghai, Bts. 180 Pls.	178.41	To Portland.	
Gunpowder, other Ports "	30		White, other Ports, Bts. 20 "	19.98	Tea, Black, Shanghai Pls.	58
Young Hyson, other Ports "	83		Silk Pongees, Shantung "	2.20	Tea, Green:	
Hyson, other Ports "	33		Egg, Albumen, Dried "	222	Hyson, Ningpo Pls.	109
Bristles "	152		Egg, Yolk, Dried "	252	To San Francisco.	
Wool, Sheep's "	1,515		Straw Braid, White "	97	Tea, Black, Shanghai Pls.	662
Skins, Goat, Untanned Pcs.	41,405		Wool, Sheep's "	1,392	Tea, Green:	
			Skin Mats, Dog Pcs.	1,400	Hyson, Ningpo Pls.	85
<i>S. S. Tiltborn, from U. S. A., July 25.</i>					Intestines, Pigs' Salted "	42
Wool and Cotton Blankets Lb.	209		<i>S. S. Toba Maru, August 10.</i>		To Chicago.	
Tinned Plates, Plain Pls.	1,106		To New York.		Tea, Green:	
Carbon, Black "	422		Tea, Black, Shanghai Pls.	21	Hyson, Ningpo Pls.	532
Indigo Paste, Artificial "	986		Tea, Black, Hankow "	656		
Glue "	17		Tea, Black, Kiukiang "	216		
Gum, Arabic "	8		Tea, Black, other Ports "	188		
Ink, Printing "	154					

PRESSED STEEL CAR COMPANY

NEW YORK—PITTSBURG

Pioneer Steel Car Builders

: : : : :

We build Railway Cars exclusively

Our facilities assures prompt delivery

Prompt Deliveries Means Quick Earnings From Rolling Stock

ECONOMY

PRESSED STEEL CARS

SERVICE

U. S. P. O. Box 705

: : China Office : :

No. 2 Canton Road, Shanghai

In The United States Court for China

(Established by Act of Congress of June 30, 1906.)

JUDGE, Charles S. Lobingier.

U.S. DISTRICT ATTORNEY, Leonard G. Husar.

U. S. COMMISSIONER, Nelson E. Lurton.

CLERK, William A. Chapman.

DEPUTY CLERK, L. Macoubrey..

U. S. MARSHAL, }
DISBURSING OFFICER, } Thurston R. Porter.

PRISON PHYSICIAN, DR. T. B. Dunn.

DEPUTY MARSHAL, Wm. Van Buskirk.

OFFICE HOURS 9-1; 2-5.

TIENTSIN :

SPECIAL DEPUTY MARSHAL, I. A. Landesman.

All Notices, Announcements, Judgments, Orders and other Proceedings appearing in this department of THE WEEKLY REVIEW may be accepted as authentic.

Motion Day.

All contested motions and demurrers will hereafter be heard on Mondays, beginning at 3 P. M.; provided notice thereof with proof of service on the adverse party or his attorney shall have been filed in the Clerk's office by 1 P. M. of the preceding Saturday.

Minutes of Recent Proceedings

Hearings :

Sept. 13, 1922, Cause No. 1670, Swinehart v. Swinehart, et al; testimony taken of Callahan, Faison, Wade, and plaintiff in his own behalf, for plaintiff; Moore and Mrs Swinehart for defense; briefs to be submitted.

" 13, " " " 1886, U. S. v Smith; plea of guilty entered

" 15, " " " 1606, Kamorovsky v. Hartford Fire Ins Co. et al.; testimony taken of Wiley, Reneman, Moszkooski, Doukelski and Kamorovsky for plaintiff; Wiley and Moszkooski for defense; submitted

" 18, " " " 1770, Treadwell v. Treadwell; testimony taken of plaintiff.

" 18, " " " 1116, Tobacco Products Corporation v. George W Jarrott; on motion for judgment by default

" 18, " " " 798, Steele v. American Trading Co.; on motion to strike or adjudicate lien.

" 18, " " " 1686, American Trading Co. v. Setwart-Crane Co; Inc.; on objection to Receiver's report

" 18, " " " 1032, The Belgian Trading Co. v. Neuss, Hesslein & Co. Inc.; on motion to assign for trial.

IN THE UNITED STATES COURT FOR CHINA

IN RE CONTEMPT

OF

WILLIAM S. FLEMING

Cause No. 1442

MOTION AND RETRACTION.

Filed September 4, 1922.

(Sgd.) William A. Chapman,
Clerk.

I, William S. Fleming, respondent in the above entitled action, respectfully appearing before the Court for the sole purpose, do hereby express my deep regret, for having filed and read in open court on July 28, 1921, the petition, motion, application and affidavit for a change of venue in Cause No. 1431 for which I was convicted of contempt in this and the Appellate Court.

I retract all statements made therein and apologize for having made and filed them, particularly the statements that the Judge of this court was a party to the crimes of Earl B. Rose or to the prosecution of myself or that he conspired with others to defame and injure me.

I acknowledge that the language used in said petition, motion, application and affidavit was improper and disrespectful, I humbly ask the court's pardon for having used it and I undertake never to repeat such unbecoming expressions.

I further ask leave of the Court to withdraw from its files the said petition, motion, application and affidavit that the same may be destroyed and held for naught.

(Sgd.) Wm. S. Fleming.

JUDGE LOBINGIER :

As far as I am personally concerned I bear no malice. As Judge of this court I can only say that this case is now before a higher tribunal and, therefore, out of our jurisdiction and beyond our power to control in any way.

The motion and retraction will be deposited in the files of the case. Any further action must await the receipt of the mandate from the Court of Appeals.

Sept 18, 1922, Cause No. 1670, Swinehart v. Swinehart et al; on motion to take deposition.

" 18, " " " 1320, Garner Quelch & Co. v. P. S. Crawley; motion to set.

" 18, " " " 1829, Chen Van Chee v. Wilkins Bros. & Co. Inc.; testimony taken of plaintiff.

" 18, " " " 1404, Chiskin v. American Drug Co.; on motion to set.

" 18, " " " 1884, In re Estate of Helen Oliver Cornish; on petition for appointment of administrator.

" 18, " " " 1898, In re application of Jacob Krisel for admission to the bar.

" 20, " " " 1116, Tobacco Products Corporation v. George W. Jarrott; on amended petition for recovery of property.

(Before the Commissioner)

Sept. 16, 1922, Cause No. 1889, U. S. v. Downs; plea of guilty.
 " 16, " " " 1882, U. S. v. Whitton; plea of guilty.
 " 16, " " " 1892, U. S. v. Adams; plea of guilty.
 " 16, " " " 1893, U. S. v. Adams; plea of guilty.
 " 16, " " " 1875, U. S. v. Pinkham; testimony taken of Andrews and Mason.
 " 19, " " " 1894, U. S. v. Scanlon.

Judgments and Orders:

Sept. 14, 1922, Cause No. 1886, U. S. v. Smith; sentence.
 " 18, " " " 1116, Tobacco Products Corporation v. George W. Jarrott; defendant given to Sept. 25 to answer.
 " 18, " " " 1686, American Trading Co. v. Stewart-Crane Co. Inc.; passed.
 " 18, " " " 1320, Garner Quelch & Co. v. P. S. Crawley; passed.
 " 19, " " " 1770, Treadwell v. Treadwell; decree.
 " 19, " " " 798, Steele v. American Trading Co.; order.
 " 19, " " " 1829, Chen Van Chee v. Wilkins Bros. & Co. Inc.; judgment.
 " 19, " " " 1884, In re Estate of Helen Oliver Cornish; order appointing administrator.
 " 19, " " " 1898, In re application of Jacob Krisel to the Bar; applicant admitted.
 " 20, " " " 1116, Tobacco Products Corporation v. George W. Jarrott; judgment.

(By the Commissioner)

Sept. 16, 1922, Cause No. 1889, U. S. v. Downs; order.
 " 16, " " " 1882, U. S. v. Whitton; order.
 " 16, " " " 1892, U. S. v. Adams; order.
 " 16, " " " 1893, U. S. v. Adams; order.
 " 19, " " " 1894, U. S. v. Scanlon; order of dismissal.

Assignments for Hearing:

October 24, 1922, 9:30 a. m. Cause No. 1773, Railton & Co. v. Sonn Bros.
 " 26, 1922, 9:30 a. m. Cause No. 1032, The Belgian Trading Co. v. Neuss, Hesslein & Co., Inc.
 " 30, 1922, 9:30 a. m. Cause No. 1404, Chiskin v. American Drug Co.

Miscellaneous Filings:

Sept. 12, 1922, Cause No. 1856, Yu Fong Steamship Co. v. Wm. Katz & Co.; demurrer.
 " 12, " " " 1670, Swinehart v. Swinehart et al.; subpoena issued.
 " 13, " " " 1856, Yu Fong Steamship Co. v. Wm. Katz & Co.; amended answer.
 " 13, " " " 1670, Swinehart v. Swinehart et al.; marshal's return of subpoena.
 " 13, " " " 1882, U. S. v. Whitton; marshal's return of warrant.
 " 13, " " " 798, Steele v. American Trading Co.; motion to strike lien or adjudicate; notice.
 " 13, " " " 1845, U. S. v. Lampman; sentence; final commitment issued.
 " 14, " " " 1886, U. S. v. Smith; complaint; information; sentence; final commitment issued.
 " 14, " " " 1889, U. S. v. Downs; complaint.
 " 14, " " " 1890, Ford v. American Trading Co.; complaint.
 " 14, " " " 1401, Rabenow v. Grimes & Woods; demurrer.
 " 14, " " " 1891, Hu Yuen Sun v. Fearon, Daniel & Co.; complaint; summons issued.
 " 14, " " " 1892, U. S. v. Adams; complaint.
 " 14, " " " 1663, In re Bankruptcy of Reids Ltd. Inc.; order appointing referee.
 " 15, " " " 1663, In re Bankruptcy of Reids Ltd. Inc.; referee's oath.
 " 15, " " " 1686, American Trading Co. v. Stewart-Crane Co. Inc.; objection to receiver's report; motion; notice of motion.
 " 15, " " " 1873, Djemarova v. Clancy; marshal's return of summons.
 " 15, " " " 1511, Hsu Weng Hwa Tang v. Standard Oil Co. of N. Y.; answer.
 " 15, " " " 1893, U. S. v. Adams; complaint.
 " 15, " " " 1881, Hrenoff v. Kosel; marshal's return of summons.
 " 16, " " " 1032, Belgian Trading Co. v. Neuss, Hesslein & Co. Inc.; motion to set.
 " 16, " " " 1670, Swinehart v. Swinehart et al.; motion to take deposition.
 " 16, " " " 1320, Garner Quelch & Co. v. Crawley; motion to set; notice.
 " 16, " " " 1549, Hansen v. Reids Ltd. Inc.; withdrawal of counsel for plaintiff.
 " 16, " " " 1884, In re Estate of Helen Oliver Cornish, deceased; deposition; inventory.
 " 18, " " " 1506, Fur and Wool Trading Co. v. Andersen, Meyer & Co. Ltd.; motion; amended petition.
 " 18, " " " 1764, Campbell v. Gruenebaum et al.; defendant's reply brief.
 " 18, " " " 1800, Banque Belge pour L'Etranger v. Montgomery Ward & Co.; plaintiff's brief.
 " 18, " " " 1891, Hu Yuen Sun v. Fearon, Daniel & Co.; marshal's return of summons.
 " 18, " " " 1895, Ming Fah Coal Co. v. Boyd & Co.; petition; summons issued.
 " 18, " " " 1401, Rabenow v. Grimes & Woods; plaintiff's reply.
 " 18, " " " 1896, In re Katharine Clark Mullikin's will; petition.
 " 18, " " " 1898, In re application of Jacob Krisel for admission to the bar; petition; report and motion.
 " 18, " " " 1663, In re Bankruptcy of Reids Ltd. Inc.; referee's bond.
 " 19, " " " 1116, Tobacco Products Corporation v. Jarrott; stipulation.
 " 19, " " " 1764, Campbell v. Gruenebaum et al.; plaintiff's reply brief.
 " 19, " " " 1816, Ho Yuen Tung & Co. v. Standard Products Co. Inc.; stipulation.
 " 19, " " " 1862, Moore v. Elmont; demurrer.
 " 19, " " " 1884, In re estate of Helen Oliver Cornish, deceased; oath of administrator; bond of administrator; letters of administration.
 " 19, " " " 1897, Tong Chieh Tee v. Sin Wan Pao Co.; petition; summons issued.
 " 19, " " " 1770, Treadwell v. Treadwell; decree.
 " 19, " " " Chapin, Olsen and Company; articles of incorporation.

IN THE UNITED STATES COURT FOR CHINA

In re Estate of

HELEN OLIVER CORNISH,

Deceased.

Cause No. 1884

Estate No. 449

NOTICE

Pursuant to an order of said Court, notice is hereby given to all persons having claims against the estate of Helen Oliver Cornish, deceased, to present the same, with vouchers to the undersigned on or before March 23, 1923, and all persons owing debts to the said deceased are hereby required to make payment of the same in due course to the undersigned.

ALBERT C. CORNISH,
 Administrator
 c/o Fessenden & Holcomb,
 2, Kiukiang Road,
 Shanghai, China,

September 21, 1922.

IN THE U. S. COMMISSIONER'S COURT FOR THE DISTRICT OF SHANGHAI

In re Estate of

PATRICIO CASTRO PEREZ,

Deceased.

Cause No. 1866

Estate No. 447

NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the estate of Patricio Castro Perez, deceased, to present the same, with vouchers, to the undersigned, at Shanghai, China on or before March 9th, 1923, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

SIMON DASMARINAS,
 Administrator,
 c/o U. S. Court for China.

Shanghai, China, Sept. 9th, 1922.



CHINESE GOVERNMENT RAILWAYS

Shanghai-Nanking Railway Abridged Time Table.

Shanghai North to Nanking—Up													Nanking to Shanghai North—Down																
STATIONS	Local	Fast R.	Local	3rd & 4th Local	Ex- press R.	3rd & 4th	Local	Fast R.	Local	Fast Local	Local	Local	Night Ex- press R. S.	STATIONS	Local	Fast Local	Local	Local	Fast R.	3rd & 4th Local	3rd & 4th	Fast R.	Local	Local	Ex- press R.	Local	Night Ex- press R. S.		
Shanghai North d.		7.00	7.15	7.35	9.30	9.50	12.10	12.30	15.25	17.15	17.45	19.35	23.30	Peking — d.												10.15	5.50		
Nansiang — d.		7.28	7.45	8.03	—	10.31	12.41	12.58	16.01	17.47	18.15	20.05	0.02	Tientsin East — d.											P.M.L.	13.35	P.M.L.		
Soochow — d.		8.59		9.41	11.14	12.53		14.43	18.24	19.39			1.39	Do. — d.											14.00	9.14			
Wusih — d.	7.00	9.59		10.44	12.02	14.12		15.38	19.34	20.36			2.38	Tientsin Central — d.											14.10	10.50			
Changchow — d.	8.14	10.56		11.41	12.49	15.28		16.38		21.38			3.42	Do. — d.											14.20	—			
Tanyang — d.	9.30	11.52			13.38	16.28		17.38					—	Tsainan — d.											T.P.L.	22.21	T.P.L.		
Chinkiang — d.	10.31	12.49			14.22	17.34		18.33					5.34	Hsuehchowfu — d.							8.10	11.05		H day	6.31	H day			
Nanking — a.	12.30	14.21			15.43	19.35		20.02					7.20	Pukow — a.											14.30	5.28			
Pukow — d.					17.05								9.30	Nanking — a.					7.40						15.50	16.15			
Hsuehchowfu — d.					1.16	T.P.L.							19.40	Chinkiang — d.					9.20		10.25	12.54			17.29	16.15			
Tsainanfu — d.					9.38	H day							2.00	Tanyang — d.					9.57		11.21	13.31			18.03	16.26			
Tientsin Central — a.					18.05								15.25	Changchow — d.					11.59	13.02	14.47	15.33			18.57	20.46			
Do. — d.					18.15								16.16	Wusih — d.		7.20	8.22		12.00	14.02	14.32				19.43	21.52			
Tientsin East — a.					18.25	P.M.L.							19.15	Soochow — d.		8.21	9.39		12.54	15.02	15.25	16.31			20.32	4.46			
Do. — d.					18.55									Nansiang — d.		8.15	10.33	11.34	13.00	14.27	16.03	17.45	18.18	18.40	20.35	—	6.26		
Peking — a.					22.06									Shanghai North — a.		8.42	11.00	12.05	13.30	14.55	16.30	18.40	19.13	21.05	22.00	—	6.59		
Woosung Ports to Shanghai North—Up													Shanghai North to Woosung Ports—Down																
STATIONS	Local	Fast R.	Local	3rd & 4th Local	Ex- press R.	3rd & 4th	Local	Fast R.	Local	Fast Local	Local	Local	Night Ex- press R. S.	STATIONS	Local	Fast Local	Local	Local	Fast R.	3rd & 4th Local	3rd & 4th	Fast R.	Local	Local	Ex- press R.	Local	Night Ex- press R. S.		
Woosung Ports d.	6.45	8.15	9.40	11.05	12.30	13.55	15.20	16.45	18.10	19.35	21.00	22.25	23.50	1.15	Shanghai North d.	6.00	7.30	9.00	10.25	11.50	13.15	14.40	16.05	17.30	18.55	20.20	21.45	23.10	0.35
Kiangwan — d.	7.10	8.40	10.05	11.31	12.55	14.20	15.46	17.10	18.35	20.00	21.25	22.50	0.15	1.40	Tientungan — d.	6.05	7.35	9.10	10.30	11.55	13.20	14.45	16.10	17.35	19.00	20.25	21.50	23.15	0.46
Tientungan — d.	7.16	8.46	10.11	11.37	13.01	14.26	15.52	17.16	18.41	20.06	21.31	22.56	0.21	1.46	Kiangwan — d.	7.12	8.42	9.12	10.37	12.02	13.27	14.52	16.17	17.42	19.07	20.32	21.57	23.22	0.47
Shanghai North a.	7.20	8.50	10.15	11.41	13.05	14.30	15.56	17.20	18.45	20.10	21.35	22.50	0.25	1.50	Woosung Ports a.	6.35	8.06	9.35	11.00	12.25	13.50	15.15	16.40	18.05	19.30	20.53	22.20	23.45	1.10

Woosung Forts to Shanghai North—Up

(Branch Line)

Shanghai North to Woosung Forts—Down

Woosung Forts to Shanghai North—Up													Shanghai North to Woosung Forts—Down																			
STATIONS	Local	Fast	Local	3rd & 4th	Ex-press	3rd & 4th	Local	Fast	Local	Fast	Local	Night Ex-press	STATIONS	Local	Fast	Local	3rd & 4th	Ex-press	3rd & 4th	Fast	Local	Night Ex-press	STATIONS	Local	Fast	Local	3rd & 4th	Ex-press	3rd & 4th	Fast	Local	Night Ex-press
Woosung Forts d.	6.45	8.15	9.40	11.05	12.30	13.55	15.20	16.45	18.10	19.35	21.00	22.25	23.50	1.15	Shanghai North d.	6.00	7.30	9.00	10.25	11.50	13.15	14.40	16.05	17.30	18.55	20.20	21.45	23.10	0.35			
Kiangwan d.	7.10	8.40	10.05	11.31	12.55	14.20	15.46	17.10	18.35	20.00	21.25	22.50	0.15	1.40	Tientsin d.	6.05	7.35	9.05	10.30	11.55	13.20	14.45	16.10	17.35	19.00	20.25	21.50	23.15	0.40			
Tientsin d.	7.16	8.46	10.11	11.37	13.01	14.26	15.52	17.16	18.41	20.06	21.31	22.56	0.21	1.46	Kiangwan d.	6.12	7.42	9.12	10.37	12.02	13.27	14.52	16.17	17.42	19.07	20.32	21.57	23.22	0.45			
Shanghai North a.	7.20	8.50	10.15	11.41	13.05	14.30	15.56	17.20	18.45	20.10	21.35	23.00	0.25	1.50	Woosung Forts a.	6.35	8.06	9.35	11.00	12.25	13.50	15.15	16.40	18.05	19.30	20.55	22.20	23.45	0.50			

R. Restaurant Cars.

S. Sleeping Cars.

* These additional trains run each Saturday and Sunday

Shanghai-Hangchow-Ningpo Railway Abridged Time Table.

Shanghai North to Zakhon—Down

(Main Line)

Zakhon to Shanghai North—Up

STATIONS	Local	Ex-press	2nd & 3rd & 4th	Fast	Local	Local	Night Ex-press	STATIONS	Local	Local	Ex-press	Local	2nd & 3rd & 4th	Fast	Local	Night Ex-press
Shanghai North dep.	..	8.00	9.00	13.20	15.45	..	19.15	Zakhon d.	..	..	7.15	..	8.40	13.20	15.35	18.00
Jessfield dep.	..	8.15	9.16	13.36	16.05	..	19.30	Hangchow d.	..	..	7.40	..	9.15	13.50	16.10	18.25
Stecawel dep.	..	8.21	9.23	13.43	16.13	..	19.36	Changan d.	..	..	8.29	..	10.45	15.00	17.45	19.14
L'hw Junction dep.	..	8.35	9.40	14.00	16.30	..	19.50	Yehsah d.	..	..	9.00	..	11.53	15.37	18.45	19.45
Shanghai South dep.	..	8.05	9.06	13.25	15.45	18.00	19.30	Kashing d.	..	7.30	9.39	..	12.50	16.24	..	20.24
Lungkwa Junction arr.	..	8.38	9.38	13.48	16.08	18.18	19.38	Kashai d.	..	8.02	10.02	..	13.26	16.52	..	20.45
Sungkiang dep.	..	9.14	10.50	14.46	17.42	..	20.29	Sungkiang d.	..	9.15	10.52	..	14.42	17.49	..	21.45
Kashai dep.	..	10.01	11.57	15.43	18.47	..	21.16	Lungkwa Junction d.	8.57	10.37	11.57	13.57	16.07	18.48	..	22.28
Kashing dep.	7.25	10.31	12.40	16.10	..	..	21.46	Shanghai South a.	8.55	10.55	11.55	14.15	16.35	19.00	..	22.45
Yehsah dep.	8.19	11.02	13.32	16.56	..	..	22.17	L'hw Junction d.	..	10.34	11.33	..	15.50	18.40	..	22.35
Changan dep.	9.25	11.36	14.23	17.35	..	..	22.51	Stecawel d.	..	10.43	11.40	..	15.59	18.49	..	22.35
Hangchow dep.	11.00	12.30	16.00	18.50	..	..	23.45	Jessfield d.	..	10.51	11.46	..	16.06	18.56	..	22.35
Zakhon arr.	11.25	12.45	16.30	19.10	..	..	24.00	Shanghai North a.	..	11.05	12.00	..	16.20	19.10	..	22.50

Konzenchiao to Zakhon

(Kiangshoo Branch Line)

Zakhon to Konzenchiao

Konzenchiao to Zakhon										Zakhon to Konzenchiao																									
Konzenchiao	dep.	7.05	9.10	11.35	13.45	16.05	17.30	22.55	Zakhon	dep.	8.10	10.10	12.10	14.10	16.10	18.10	20.10	22.10	24.10	26.10	28.10	30.10	32.10	34.10	36.10	38.10	40.10	42.10	44.10	46.10	48.10	50.10	52.10	54.10	56.10
Kenhangmun	dep.	7.20	9.25	11.50	14.00	16.20	17.45	23.10	Hangchow	dep.	8.30	10.30	12.30	14.30	16.30	18.30	20.30	22.30	24.30	26.30	28.30	30.30	32.30	34.30	36.30	38.30	40.30	42.30	44.30	46.30	48.30	50.30	52.30	54.30	56.30
Hangchow	dep.	7.37	9.37	..	14.17	..	17.57	..	Kenshangmun	dep.	8.42	10.42	12.42	14.42	16.42	18.42	20.42	22.42	24.42	26.42	28.42	30.42	32.42	34.42	36.42	38.42	40.42	42.42	44.42	46.42	48.42	50.42	52.42	54.42	56.42
Zakhon	arr.	7.55	9.55	..	14.35	..	18.15	..	Konzenchiao	arr.	8.55	10.55	12.55	14.55	16.55	18.55	20.55	22.55	24.55	26.55	28.55	30.55	32.55	34.55	36.55	38.55	40.55	42.55	44.55	46.55	48.55	50.55	52.55	54.55	56.55

R. Restaurant Car.

SPECIAL SHANTUNG REDEMPTION ISSUE

密勒氏評論報

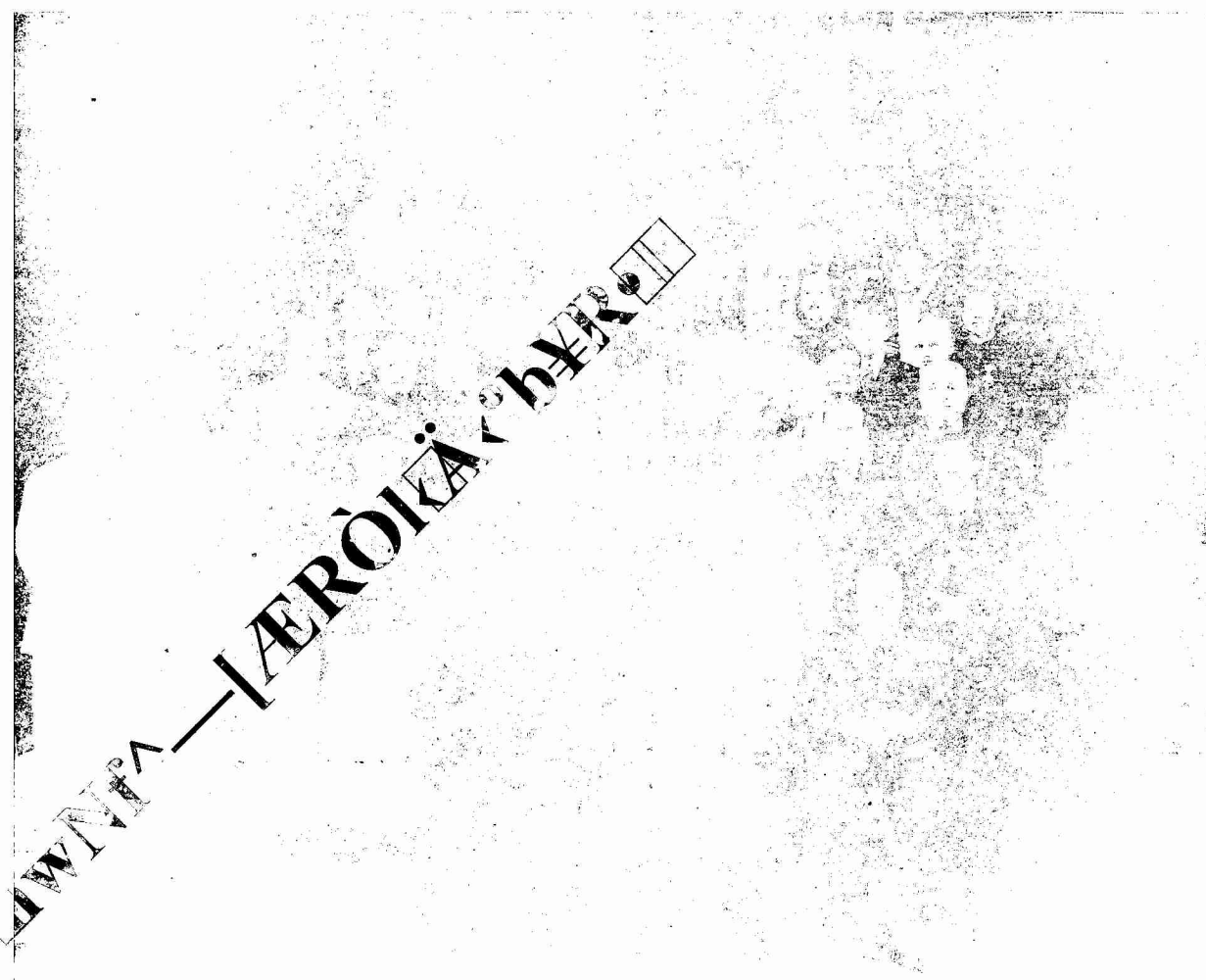
THE WEEKLY
REVIEW

*Devoted to the Economic, Political and Social Development of China and its
Intercourse with Other Nations*

VOL. XXII

SATURDAY, SEPTEMBER 23, 1922

No. IV



INTERNATIONAL CLUB OF TSINGTAO
An Organization Featuring International Good Fellowship

*Issued as a Supplement
To THE WEEKLY REVIEW
For September 23, 1922*

*On Sale At
One Dollar a Copy
(Chinese Currency)*

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China.

Highest Grade



Uniform Quality

TEXACO CYLINDER OILS

A grade for every condition of heat, pressure, character of water, speed, etc.

TEXACO ENGINE OILS

TEXACO TURBINE OILS

TEXACO MOTOR AND GENERATOR LUBRICANTS

TEXACO
AUTOMOBILE LUBRICANTS

TEXACO
DIESEL ENGINE OILS

TEXACO REFRIGERATING MACHINE OILS

TEXACO MACHINE OILS

TEXACO CUTTING OILS

TEXACO GREASES FOR ALL PURPOSES

TEXACO THUBAN COMPOUND

A lubricant for the gears of transmissions and differentials of automobiles and motor trucks, and for other light, fast-running, enclosed gears.

TEXACO CRATER COMPOUND

A heavy mineral lubricant for lubricating heavy gears, wire rope, chains etc.

TEXACO ROOFING

TEXACO ASPHALTS

We shall be glad, at all times, to answer any question relating to the use or application of lubricants, and we would thank you to address inquiries to our nearest district office.

THE TEXAS COMPANY

128, Szechuen Road, Shanghai.

District Offices:

Chinkiang, Wuhu, Hankow, Tsingtau, Mukden, Dairen, Hongkong, Canton,
Swatow and Chemulpo (Korea).

"There is a Texaco Lubricant for every purpose."

Industries under Management

and Direction of



H. Y. MOH



The Chinese Industrial Bank

Capital: \$1,000,000

Offices: P. 60 Nanking Road

The Chinese Cotton Goods Exchange

Capital: \$3,000,000

Offices: Avenue Edward VII.

TEH DAH COTTON MILL

Capital: Tls. 1,500,000

Mill: 78 Ward Road

Town Office: 1 Tsing Yuen Li,
Peking Road

Products:

10s yarn....."Double Happiness"
16s ,, ... "Pagoda"
20s ,, ... "Pagoda"
32s thread....."Civilized Beauty"
42s ,, ... "Civilized Beauty"

HOU SUNG COTTON MILL

Capital: Tls. 2,400,000

Mill: 22 Seoul Road

Town Office: 137A San Wo Li,
Kiangse Road

Products:

10s yarn..... "Double Happiness"
16s ,, ... "Pagoda"
20s ,, ... "Pagoda"
32s ,, ... "Double Happiness"
42s thread..... "Double Happiness"
11-lb. ting... "Three Tigers"
13-lb. ,, ... "Aeroplane"
12-lb. drills... "Three Riches"
12-lb. jeans... "Double Happiness"

YU FOONG COTTON MILL

Capital: Tls. 3,000,000

Mill: Chengchow, Honan

Town Office: 137A San Wo Li,
Kiangse Road

Products:

10s yarn..... "Double Happiness"
" ,, ... "Aeroplane"
12s ,, ... "Pagoda"
14s ,, ... "Pagoda"
16s ,, ... "Pagoda"
" ,, ... "Aeroplane"
20s ,, ... "Pagoda"
" ,, ... "Aeroplane"
12-lb. drills... "Five Elders"
16-lb. sheeting... "Heavenly Official"

Dodwell & Co., Ltd.

SOLE AGENTS

FOR

UNDERWOOD TYPEWRITERS

and

RONEO

Office Appliances

FULL PARTICULARS OF
TYPEWRITERS,
RONEOTYPE MACHINES,
DUPLICATORS
LETTER COPIERS,
FILING CABINETS,
FILING SYSTEMS,
LOOSE LEAF LEDGERS,
ETC., ETC.

*Will be sent on application to
any of our Branches, or
to our Showrooms*

at

44^A KIANGSE ROAD
SHANGHAI

THE WEEKLY REVIEW

Formerly Millard's Review

Published at No. 4 Avenue Edward VII, Shanghai
China, by Millard Publishing Company, Incorporated
by the Laws of the State of Delaware, United States
of America.

J. B. POWELL, Publisher

ROY C. BENNETT, Editor-Shantung Issue

HOLLINGTON K. TONG, Assistant Editor, Peking
MARGARET C. POWELL, Local and Women's Interests
R. B. LIBBY, Financial Editor and Business Manager

CONTRIBUTING EDITORS

C. F. REMER, (America)
HIN WONG, (Canton)

PETER S. JOWE,
(Hankow)

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TEN DOLLARS (CHINESE
CURRENCY) IN ADVANCE, POSTAGE INCLUDED, IN CHINA AND JAPAN.
IN THE UNITED STATES AND FOREIGN COUNTRIES SEVEN DOLLARS
AND FIFTY CENTS U. S. CURRENCY. REMITTANCE FROM OTHER
COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTER-
NATIONAL MONEY ORDER. ENTERED AS SECOND CLASS MATTER BY
THE AMERICAN, CHINESE, BRITISH AND JAPANESE POST OFFICES AT
SHANGHAI IN MAY, 1917.

Contents

	PAGE
Editorials	5
<i>Maintaining the Pace</i>	
<i>Shantung, China's Rallying Cry</i>	
<i>The Shantung of Tomorrow</i>	
<i>The Tsingtao Consulate</i>	
Photographs of Dr. C. T. Wang and His Excellency Y. Obata (Insert)	
Swinging Wide the Door to Shantung By Ray Marshall.....	7
<i>An Interview with Dr. C. T. Wang</i>	
Foreign Aid Necessary for the Future Development of Tsingtao By General M. Yui	8
Summarized Chronology of the Shantung Controversy	9
Sino-Japanese Conference Delegates	12
<i>Photographs and Names</i>	
The Foreigner's Voice in Tsingtao	13
Japanese Mining Operations Imbitter Chinese	14
Japan's Peaceful Penetration of Shantung By G. Zay Wood.....	15
Tsinanfu Japanese Business There to Stay	18
Cultural Aspects of the Japanese Occupation in Shantung By J. J. Heeren, Phil.	19
German Railway Rights in Shantung By P. H. Kent	21
Food for Misunderstanding By Fang Han Shen	23
Looking to Shantung for Beef	24
Mining Rights in Shantung By William F. Collins.....	25
Japanese-Operated Shantung Railway Today	27
Program for Redemption of the Shantung Railway By David Z. T. Yui.....	29
Port and Transportation Facilities of Shantung Province By Paul Page Whitham	30
The Shantung Straw-Braid Industry	33
Tobacco Growing in Shantung	34
A Visit to Tsingtao By H. G. W. Woodhead	35
The Tsingtao Land Lease War Baby	39
The Salt of Shantung Province	42
The Opium Smoker's Convenience	45
Studying the Sky at the Dawn of a New Day	46
Return of Weihaiwei By Hollington K. Tong	48
Wild Silk Worms of Shantung	50
Shantung's Daily Bread	56
Shantung's Peanut Oil Leadership	78
Tsingtao's Financial Year	98
Shantung Treaty	100
Alphabetical List of Advertisers	104

AMERICAN OFFICE

WORLD WIDE ADVERTISING CORPORATION

1 West 34th Street, New York City

Telephone: Fitz Roy 511; Cable Ad.: Scholzem, N. Y.

Orders for advertisements and subscriptions in the United
States may be placed through the New York Office.

WASHINGTON BUREAU

J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

VICTORY CIGARETTES



大 仙 女 香 烟

永泰和烟草股份有限公司總經理

NESTLE & ANGLO-SWISS CONDENSED MILK Co.

NEW YORK-LONDON-PARIS - - - CHAM-VEVEY (SWITZERLAND)



The oldest
"Sweetened"
in China.



TRADE



MARKS



Delicious with
Fru ts

MANUFACTURERS & SOLE IMPORTERS

of:

EAGLE	sweetened condensed milk
MILKMAID	sweetened condensed milk
MILKMAID	Unsweetened (Evaporated) milk
ST. CHARLES	Unsweetened (Evaporated) milk
MILKMAID	sterilized milk
NESTLÉ	pure rich thick Cream
NESTLÉ	Malted milk
NESTLÉ	Milk Food

AND

LACTOGEN



Keeps in
any climate



The best and
the cheapest



Always fresh and
ready for use.



The original Milk
chocolate

NESTLÉ PETER CAILLER KOHLER

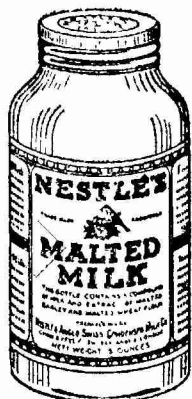
Cocoa, Swiss Plain, Milk & Nut Chocolates,
Bonbons, Fancy boxes & Covering Chocolates



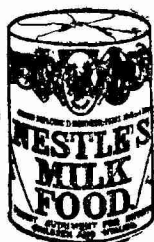
The largest world sale

Ask for quotations

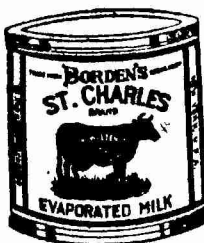
Nestlé & Anglo-Swiss Condensed Milk Co.
Shanghai, 8 Nanking Road.



The
Food Drink



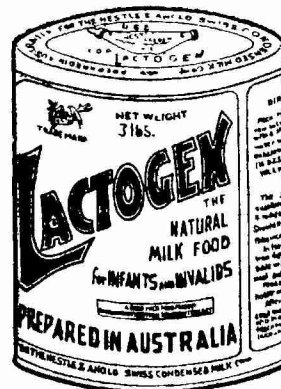
The food for baby
after weaning



A cow in every
home



The safest drink



The natural Milk Food
(The best substitute
for Mother's Milk)

ISSUED AS A SUPPLEMENT OF

密勒氏評論報

THE WEEKLY

REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

大正六年六月九日第三種郵便物認可

Entered as Second Class matter, May 1917, at the U. S. Postal Agency, Shanghai, China.

VOLUME XXII

SHANGHAI, CHINA, SATURDAY, SEPTEMBER 23RD, 1922

NUMBER 4

Maintaining the Pace

TSINGTAO, the nearest approach to a western city within the boundary of China, stands as an object lesson to the Chinese. Announced plans, which sound exceedingly good on paper, call for the maintenance of this as a model city when this territory, which has been in foreign hands for nearly a quarter of a century, is restored to China. If these plans in every detail are not carried out to the letter China will be calling upon herself severe censure. If Tsingtao as a Chinese city is less progressive than was Tsingtao as a German possession and has been Tsingtao as a Japanese property, if the pace set by others is not maintained, China will be manufacturing evidence for those who long for arguments to discredit her people.

Assuming that this territory will be restored in such a way as to give China a fair chance to prove herself, which is contemplated by the Washington Conference agreement, Shantung, Tsingtao in particular, will be marked off as a test station. The experiment to be conducted there will be in the nature of a contest, which was started in 1898, and in which two of the three contestants have performed their parts and established their results which speak for themselves. The third contestant comes to the stage when the Japanese flag goes down to be replaced by that of the Chinese Republic. The attention of the world has been directed toward this territory. Sentimental tears have been shed, democratic speeches have been delivered, righteous public opinion has been developed and just treaties signed—all in sympathy with and on behalf of China. The international interest aroused will not die over night. The world will view this as a practical test for China and will keep score on her accomplishments from the time she starts to perform her act in the drama. The two performers who have gone before have acquitted themselves well. The Germans were proud of their Oriental city of Tsingtao and the Japanese are justly proud of the record they made when they stepped into the boots of a progressive western nation there. The results speak eloquently for themselves.

Now that the Chinese are to be weighed in the balance it is not predicted that they will be found

wanting. This is not written to express a fear of such; it is written to point out the significance of the obligation going with the restoration of this sacred territory. Those who have worked in China's behalf in this connection had confidence that the Chinese people could and would establish there a record which by comparison would be worthy of patriotic pride. The world is filled with well wishers who are ready to give their moral support and encouragement but the Chinese alone can write the record that must be reviewed and judged.

The battle is not won when the sovereign reins are handed back. The contest in its last phase is just beginning then.

Broadly speaking, China is in a most deplorable condition politically and financially to enter such a contest just now. The country lacks that national unity, that political stability and that financial security that go to make a country ready for a vital test, but China is responsible for her plight, and the world cannot be expected to make allowances in judgment. The Chinese will be held to strict accountability, and will bring upon themselves only scorn if they plead that Germany was a mighty nation, an efficient political machine and a highly-trained commercial organization, when she made Tsingtao what it was or that Japan was in the best of condition and was enjoying a prosperous era when she took the place as a going concern and had her fling. No, excuses will not be accepted and the Chinese must realize it.

At least a part of the Chinese do see the situation in the fullness of its significance. These are the ones who with a determination worked up to the superlative degree are setting about developing plans to make this a model province and are calling upon their fellow countrymen to help them in their sacred undertaking.

Shantung, China's Rallying Cry

EVEN if the ceded territory and rights of Shantung never were restored to China any more than they have been to date the rallying cry of Shantung still would not have been sounded in vain. The circumstances connected with this bit of territory certainly constitute a blessing in disguise, considering the matter from one point of view.

At least temporarily the Chinese have been drawn a bit closer together. They have been awakened to their own plight. The facts of their weaknesses have been thrust into their faces. It is true that revelations to the world have not been desirable in every respect, but the humiliation which the best of the Chinese have been forced to suffer cannot help having its beneficial effect, first upon a few and later upon all the people. The person who suffers may deserve sympathy the first time, but not the second time unless the lessons learned from the first suffering result in an honest effort to prepare an escape from such a fate again. The same applies to a nation, and is applicable to China in this case.

If the Chinese do not take advantage of the national consciousness that was created and intensified by the Shantung controversy, if they do not try to put their house in better order to meet such emergencies, they will deserve and will receive less sympathetic help from other nations the next time they find themselves on the under side in a struggle. The energy that was expended by the Chinese people in this affair served to arouse a sentiment favorable to unity, which above all things is needed in China. It will be disappointing to the world if this sentiment fails to contribute to permanent national improvement. Whether or not it does depends wholly upon leaders of the Chinese people.

The Shantung of Tomorrow

THE Japanese certainly are justified in showing a vital interest in the future of Tsingtao. It has been theirs for some years, and they are majority stockholders in the commerce of the place still. The Japanese commercial flag will be prominent there indefinitely.

In sponsoring the cause of international friendship, General M. Yui, commander of the Tsingtao garrison, expresses a sentiment which first was broadcasted to the world in reports of the Washington Conference. In a signed article in this issue of the WEEKLY REVIEW he refers to the handing back of the former German territory and rights as a free and frank act. The Chinese cannot deny the soundness of his argument when he says that as a result of the conditions now prevailing in China foreign capital is necessary to build the desired structure upon the foundation that has been laid in Tsingtao. German money and Japanese money by the millions of dollars laid the foundation there for a structure which now is to become a part and possession of China.

Heretofore every possible advantage has been given Tsingtao because that was a possession of a foreign power seeking to develop it. It was a favored spot, but now it must stand on its own feet. Extraordinary sources of revenue which have been instrumental in the development of the place will exist no longer, due to the fact that China cannot be expected to show partiality, and furthermore China's finances are not such now as to enable her to do for Tsingtao what Germany did and what Japan did.

But despite these facts the place has wonderful possibilities. If they are to be realized, the sources of revenue must be kept up. This means simply the place must have foreign capital. If it gets it, conditions must be made attractive to foreign investors. It should be remembered that since this is to become real Chinese territory again, what helps Tsingtao helps China. China profits most, no matter

whose money is invested. It is significant that the Japanese who lead in commerce there desire other foreign capital, that such men as General Yui should write to say so. They realize that they, as Tsingtao business men, will share in the general benefits resulting from extending the fields and developing more trade for the place. They see the needs for international cooperation for the purpose of development. It is a practical view they express.

Within the last few months Tsingtao has made marked progress in international goodwill promotion. A little illustration of this is afforded by the International Club, which is referred to by General Yui. This club, which through the courtesy of the Japanese administration is housed in a building which formerly belonged to the German Club, has in its membership business men of nearly every nationality. As may be seen from the group photo printed on the front cover of this magazine, many Japanese and Chinese meet and mingle with Westerners here. The club typifies in a social way what is recommended for the future Tsingtao in a commercial sense, international cooperation.

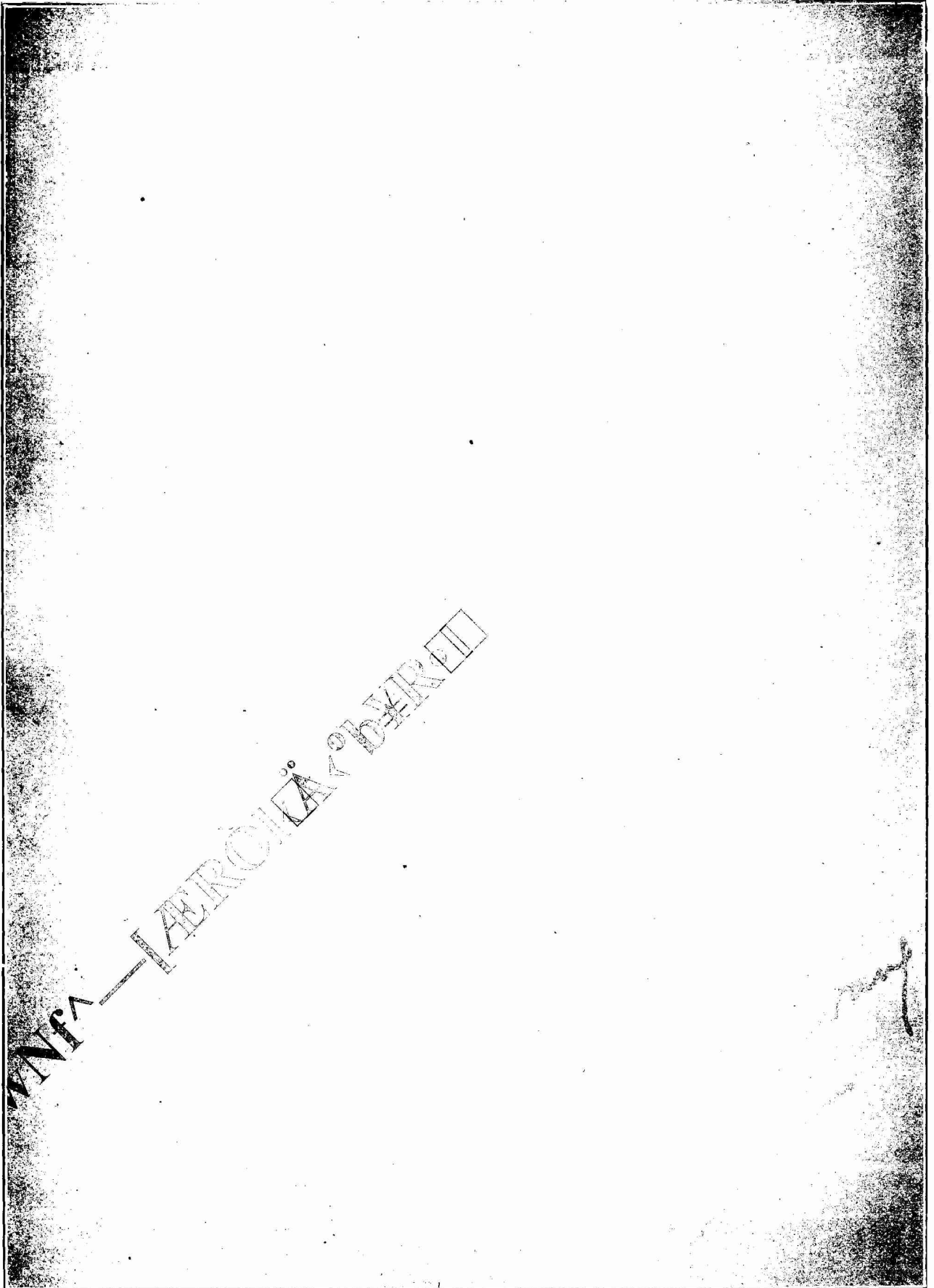
The Tsingtao Consulate

OFFICIALLY the American flag does not fly in Tsingtao. The American consul or representative there theoretically is a vice consul of Tsinanfu on duty in Tsingtao. This is so because the Tsingtao administration has no standing with the United States government due to the fact that America, by refusing to accept the part of the Versailles Treaty pertaining to the transfer of the German rights in the Kiaochow Bay Leased Territory and Shantung to Japan, denied recognition to the Japanese government there.

America's part in bringing about a settlement of the Shantung question mutually satisfactory to China and Japan has quickened American interest in all things connected with this peninsula and particularly the part of it which has been in foreign hands for nearly a quarter of a century. American participation in Tsingtao affairs has been vital, despite the fact that the channels through which even the ordinary consular dealings were conducted followed a round-about course. American consular representation, by force of circumstances, amounted to extensive participation in affairs. The purpose of that representation and participation in affairs could be realized only when friendly relations with the Japanese and the Chinese were maintained.

With the restoration of Tsingtao sovereignty to China restrictions as to direct dealings will be removed automatically. The interest of America and Americans in Tsingtao affairs will continue. In fact, it will be given a permanent significance. Americans are going to continue to have an interest and a part in Tsingtao commercial life. It is important that official recognition of the importance of the place and consideration of the significance of its future development should be taken.

The importance of the place is such that the consular post there, when it becomes officially a consulate, should be made a consulate general. Walter A. Adams, who has served through the critical period brought about by the present negotiations and who has been responsible to a large degree for the harmony that has prevailed during this time, recently was raised to the rank of consul and in recognition of his services should be made consul general.



Dr. C. T. WANG

Director-General Rehabilitation of Shantung Rights



HIS EXCELLENCY Y. OBATA

**Japanese Envoy Extraordinary and Minister Plenipotentiary to China, Chief Commissioner to Sino-Japanese
Conference for Rehabilitation of Shantung Rights**

Swinging Wide the Door to Shantung

An Interview with Dr. C. T. Wang

By Ray Marshall

Opening of a number of new commercial settlements in Shantung similar to the one at Tsinanifu, providing through freight traffic from Tsingtau to all points north of the Yangtze, encouraging foreign ships to call at Tsingtau and interesting capital in building a railroad from Tsinan to Shuntsefu, are the initial moves contemplated by Dr. C.T. Wang, chief of the Shantung commission, to give the province its merited place in commerce.

Trade obstacles will be replaced by trade inducements, Dr. Wang says. He believes that flinging the door wide open and placing a welcoming sign on the lintel will enrich the province, elevate living standards, increase governmental revenue and play an active part in rejuvenating international commerce.

"From every standpoint, Tsingtau is the strategic commercial port of North China," said Dr. Wang, "but the fullest advantage has never been taken of the port or the railroad which connects it with the great buying and selling population of the hinterland. I have been working on a plan to make the best use of the facilities already established.

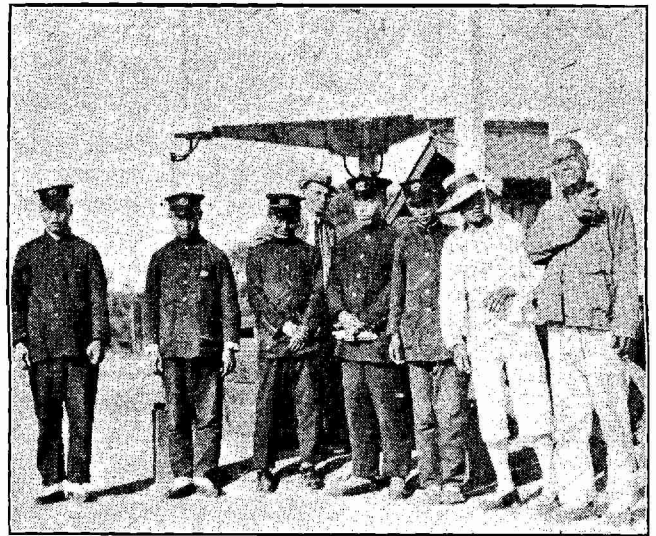
"My first aim is to see that when the city of Tsingtau is turned over to China, it is made a safe, pleasant and healthful city in which to live and that annoyances that have hampered either peaceful residence or commercial activity, are removed. Conditions which caused many industries along the Shantung railway to be removed to Chefoo must be remedied. We want Western industries as well as Eastern. We need factories to convert our raw materials into finished products and to use the abundance of labor that is dormant there. We want Chinese and foreign manufacturers alike to take advantage of the opportunities. We want development and not exploitation. Every individual or concern aiming at commercial and economic development should receive all the help it is possible to give."

Dr. Wang believes that in preparing the facilities for a commercial advance in North China, work should begin at Tsingtau and be extended as rapidly as possible to the West.

The wharves should be improved and additional warehouse facilities provided, he believes.

Little work of this kind has been done since the Germans left and keeping pace with a growing trade is an important consideration.

"If we invite foreign vessels to make Tsingtau a port of call we must provide wharves and such other facilities as they need and we must have convenient and well managed rail terminals," Dr. Wang continued.



Sino-Japanese Train Crew on Branch Line of the Shantung Railway

"Much depends on the rapidity of transfer of goods from water to rail and vice versa.

"Then between Tsingtau and Tsinanfu we must have more commercial settlements where foreigners can have their residences and business properties. We have already arranged to open some of these though the number has not been decided. There will be at least three in the near future. These will be at the most active commercial points, along the railroad.

"Some distance from the railroad are excellent commercial towns and districts which need only access to the railroad to become thriving business centers. We are going to urge these local communities to build good highways to the railroad and where necessary to build short branch railroads. The wealthy men of the province could finance these conveniences. With a few spur roads, good highways and unrestricted business opportunities, the main line of the railroad would have a greatly increased income.

"The railroad policy will be one positively without discrimination. The road by giving good service can give a strong impetus to business and of course that business comes back in the form of freight shipments and increased revenues. This road can become one of the best railroad properties to be found anywhere and and it will be just as soon as we can make it so.

(Continued on page 59)



The Old Chinese Fort on Kiaochow Bay near Tsingtau

Foreign Aid Necessary for the Future Development of Tsingtao

By General M. Yui

WE are handing back Tsingtao and the ex-German Leased territory of Kiaochow to China without the slightest regret. We do so frankly and freely. Such sentiments as these we believe will appeal to the whole world.

The reports appearing almost every day in the different papers in connection with the progress of the Sino-Japanese joint negotiation which is now going on in Peking enable the readers of the WEEKLY REVIEW to conjecture in what way the redemption of Shantung will be done.

My only hope in this case is nothing but that the various enterprises already accomplished or planned for may still be carried out and Tsingtao will not fail to be one of the most prosperous open ports in the Far East.

However, I think I may point out the following two things which are most essential for the future development of Tsingtao:

FIRST—EXTENSION OF THE SHANTUNG RAILWAY

Tsingtao is located in the commercial center of this part of China, with Tientsin to the North and Shanghai to the South. The trade of these two ports will not be greatly affected therefore by the extension of the Shantung railway which may be done along the Yellow river as far as Shansi, Kansu and Shensi provinces.

The geographical situation of Tsingtao naturally demands such extension of the railway to be completed as promptly as possible. Moreover, I must call the readers' attention to the fact that Tientsin is not a winter port and Shanghai is still under control of the tide while Tsingtao is entirely free from these natural difficulties.

Furthermore, any one who considers the distant future of this port can not deny that Tsingtao will be the shortest outlet for China when she is connected with Europe by the extension of the Lunghai railway through Kansu and Asia Minor.

SECOND—FURTHER DEVELOPMENT OF THE MUNICIPAL PUBLIC WORKS

This heading may be explained in two different ways. Tsingtao is not merely a commercial port but

it is destined to be a natural paradise in the Far East, where people of every nationality can enjoy its picturesque views and its salubrious climate throughout the year. Therefore, if the southeast section of the city which is already attractive to the foreign visitors can be developed and also more shipping facilities afforded to the northwest section of the city which has become already the business quarter of the port, Tsingtao is sure to prosper.

To make the visitors happier further attractions must be arranged. To make shipping easier more wharves than at present are required. The present municipal equipment for the visitors and the actual harbor facilities for the shipping are by no means satisfactory.

Then, how can we get the necessary funds, with which these desirable works can be started? The greatest source of revenue for the present municipal administration is the income from tax and rental of lands, approximately 450,000 yen which is annually paid by nearly 100,000 inhabitants of the city.

It goes without saying that revenue of a government is always in direct proportion to a population under its control. If so, future administrations of this port should try and attract more people to come and live here, thus they can expect a larger revenue so that any works which are essential for Tsingtao's future prosperity may not be found impossible.

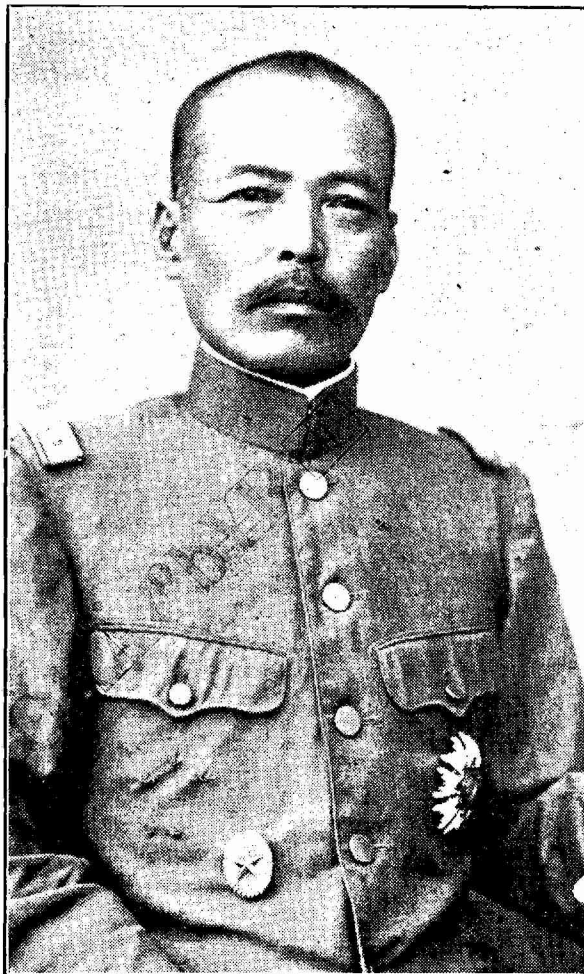
Unfortunately, however, the Chinese Government is now in the direst poverty. It is not only impossible for them to make additions to the municipal establishments now ex-

isting but it is beyond their capability even to maintain the present condition of the city.

This is why I insist upon the necessity of foreign aid for the future development of Tsingtao.

Under the financial difficulty, China can not do anything without outside help. If she wants to make Tsingtao a greater port than ever she must first of all invite many influential foreign business interests to open their offices and shops here, and when these foreign concerns are prosperous they will not grudgingly

(Continued on page 54)



GENERAL M. YUI
Commander of the Garrison of Tsingtao

Summarized Chronology of Shantung Controversy

1896

Li Hung-chang visited Germany and opened negotiations between China and Germany.

NOVEMBER, (7th of the 10th moon of the 23rd year of Kuang Hsu) 1897

Two German missionaries were murdered in Shantung.

NOVEMBER 14, 1897

The German squadron of the Eastern waters under Admiral von Diedricks took possession of the heights surrounding Kiaochow bay.

NOVEMBER 14, 1897

A German proclamation was issued explaining the occupation of Kiaochow, reiterating friendly feeling toward China, but hinting strongly that the occupation was to be permanent.

NOVEMBER 20, 1897

Germany delivered to China five demands setting forth conditions of penalty for murder of missionaries, which demands promptly were conditionally rejected, with the result of a continuation of exchange of notes.

MARCH 6, 1898

Conclusion of treaty between China and Germany for lease of Kiaochow territory to Germany for ninety-nine years.

SEPTEMBER 2, 1898

Anglo-German bankers' agreement regarding spheres of interest in railway construction in Shantung.

MARCH 21, 1900

Mining regulations in the Kiaochow Convention of 1898 signed in Tsinanfu by the comptroller general of the Shantung mines and Railways, Ying Shang, subsequently Chinese minister to Berlin, and by representatives of the German Bergbau Gesellschaft or Mining Company.

MARCH 21, 1900

Adoption of regulations for the German-owned and operated Kiaochow-Tsinanfu Railway.

OCTOBER 16, 1900

Agreement between Germany and Great Britain respecting their policies in China for mutual protection.

APRIL 17, 1904

Agreement between Germany and China for opening the customs house in Tsingtao.

NOVEMBER 28, 1905

Agreement for withdrawal of German troops from Kaomi and Kiaochow to Tsingtao. By this agree-

ment Germany also recognized China's right to police the railroad.

JULY 24, 1911

Agreement for delimitation of mining areas in Shantung.

DECEMBER 31, 1913

Exchange of notes between Germany and China embodying an agreement for the construction of a railway from Kaomi to Hanchuang and the so-called Tsinanfu-Shuntehfu Railway.

AUGUST 6, 1914

Presidential mandate issued declaring China's neutrality in the war.

AUGUST 15, 1914

The Japanese government delivered an ultimatum to the German government.

AUGUST 18, 1914

British government issued official announcement relative to Japan's participation in the war, explaining the Anglo-Japanese understanding contemplated by the Anglo-Japanese Alliance.

AUGUST 23, 1914

Imperial rescript making a declaration of war by Japan on Germany.

SEPTEMBER 3, 1914

Contingent of Japanese troop landed in northern Shantung to march upon Tsingtao.

SEPTEMBER 3, 1914

Chinese minister of foreign affairs addressed communication to the Japanese government prescribing a war zone around the Kiaochow Leased Territory.

SEPTEMBER 23, 1914

British troops landed in Kiaochow Leased Territory to cooperate with Japanese in attack on German defenses.

SEPTEMBER 26, 1914

Japanese troops proceeded to Weishien and seized the railway station.

SEPTEMBER 27, 1914

Chinese Minister of foreign affairs addressed note to the Japanese government protesting against the violation of neutrality in the Kiaochow district.

SEPTEMBER 30, 1914

First note sent from Chinese minister of foreign affairs to Japanese government protesting against the

occupation by Japanese of the Kiaochow-Tsinan Railway.

OCTOBER 2, 1914

Japanese government, replying to note from Chinese minister of foreign affairs, explained reasons for occupation of Kiaochow-Tsinanfu Railway and stated grounds for not withdrawing troops as requested.

OCTOBER 6, 1914

Japanese troops proceeded to Tsinanfu and took possession of stations.

OCTOBER 9, 1914

Chinese minister of foreign affairs addressed second note to the Japanese government protesting against the Japanese occupation of the Kiaochow-Tsinanfu railway.

NOVEMBER 16, 1914

Japanese and British troops took possession of German Leased Territory of Kiaochow.

NOVEMBER 7, 1914

Germans formally surrendered city of Tsingtao.

JANUARY 1, 1915

Tsingtao port reopened.

JANUARY 7, 1915

Chinese minister of foreign affairs addressed first note to British and Japanese governments to convey notice of the cancellation of the Kiaochow war zone.

JANUARY 9, 1915

Japanese government, replying to the Chinese minister of foreign affairs, refused to recognize the cancellation of the Kiaochow war zone.

JANUARY 16, 1915

Chinese minister of foreign affairs addressed second note to the Japanese government, explaining reasons and reiterating the cancellation of the Kiaochow war zone.

JANUARY 18, 1915

Japanese minister to China presented to China the Twenty-One Demands.

MAY 7, 1915

Japan sent China an ultimatum in the Twenty-One Demands negotiations.

MAY 25, 1915

China accepted the Twenty-One Demands agreement, containing among other things a treaty in respect to Shantung.

FEBRUARY 9, 1917

China delivered to Germany an ultimatum based upon the latter's submarine policy in the war.

FEBRUARY 16, 1917

British government, affirming previous conversations, expressed approval of plan for Japan to be granted the German territory and rights in Shantung and islands north of the equator.

FEBRUARY 19, 1917

Memoranda by Japanese minister of foreign affairs to French and Russian governments, requesting support for Japan's efforts to acquire possession of the German holdings in Shantung and the islands north of the equator.

FEBRUARY 20, 1917

Russian government gave its approval and pledged its support for Japan's attempt to gain control of the German holdings and rights in Shantung peninsula.

FEBRUARY 21, 1917

Japanese minister of foreign affairs addressed note to Great Britain expressing appreciation for the latter's pledge of support of Japan's territorial claims at the peace conference, and assuring the British government of Japan's intention to support the British claim for right to German possessions south of the equator.

MARCH 1, 1917

Memorandum from the French government to the Japanese government pledging support for Japan's efforts to gain control of the German possessions in Shantung and islands north of the equator.

MARCH 10, 1917

China presented to the German minister in Peking his passport and recalled the Chinese minister from Berlin.

MARCH 23, 1917

Italian government replied to Japan approving the latter's plan to acquire the German holdings in Shantung.

AUGUST 14, 1917

China declared war on Germany and Austria-Hungary.

SEPTEMBER 24, 1918

Agreement between China and Japan for a Japanese loan for the construction of two railways to connect the Tsingtao-Tsinanfu with the Tientsin-Pukow and the Peking-Hankow line reached.

SEPTEMBER 24, 1918

Japan signed agreement to withdraw troops from the Tsingtao-Tsinanfu railway and to abolish Japanese Civil Administration bureau in Shantung.

JANUARY 18, 1919

Peace Conference in Versailles organized.

JANUARY 27, 1919

Disclosures at Versailles Conference showed British, French, Russian and Italian agreement with Japan to give the German rights in Shantung to Japan.

JANUARY 28, 1919

Chinese delegates presented China's case at Peace Conference.

APRIL 23, 1919

Chinese delegation to the Versailles Peace Conference presented proposal for compromise whereby Shantung rights would go to Five Principal Powers with view of eventually being returned to China.

APRIL 30, 1919

Council of Three decided to give Shantung to Japan.

MAY 3, 1919

Chinese delegates issued statement protesting against Shantung settlement.

MAY 6, 1919

Chinese delegation at peace conference formally presented at a plenary session a statement on Shantung question amounting to reservation to the treaty.

MAY 26, 1919

Chinese delegates at Peace Conference formally announced their intention of accepting the treaty with reservation outlined in statement of May 6.

JUNE 28, 1919

Chinese delegates gave official notice of their refusal to sign the treaty because they would not be permitted to sign with the Shantung reservation included.

JUNE 28, 1919

Treaty of peace formally signed with Chinese delegates conspicuously absent from ceremony.

JUNE 16, 1920

Japanese foreign office made an announcement revealing efforts to induce China to enter direct negotiations for the settlement of the Shantung question.

JUNE 28, 1921

China and Germany sign treaty of peace settling outstanding differences due to European War.

SEPTEMBER 7, 1921

Japan presented to China a memorandum containing nine proposals for the settlement of the Shantung question.

OCTOBER 5, 1921

China formally rejected Japan's nine proposals for settlement of Shantung question.

OCTOBER 19, 1921

Japan reiterated 33 proposals for settlement of Shantung question.

NOVEMBER 4, 1921

China reiterated refusal to accept Japan's terms of settlement of Shantung question.

DECEMBER 1, 1921

Chinese and Japanese delegates to Washington Conference opened conversations on the Shantung question.

FEBRUARY 4, 1922

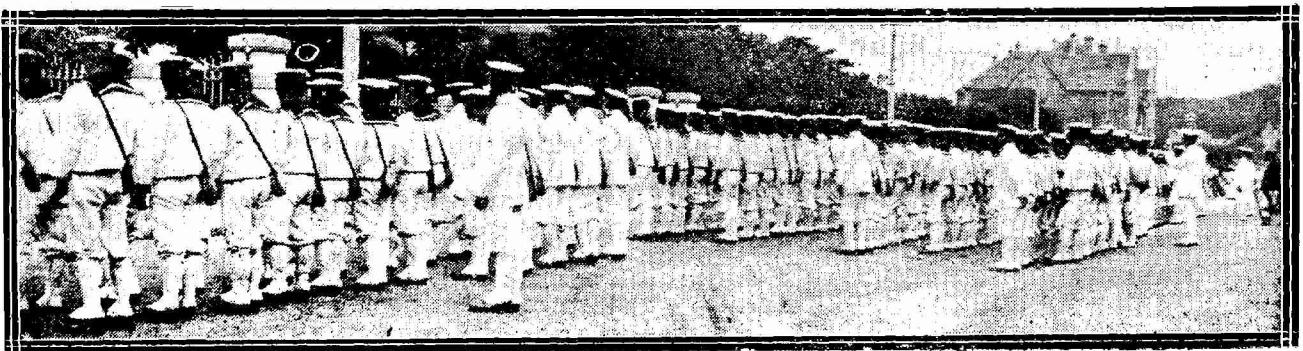
Chinese and Japanese delegates to the Washington Conference signed the treaty for the settlement of the Shantung question.

JUNE 2, 1922

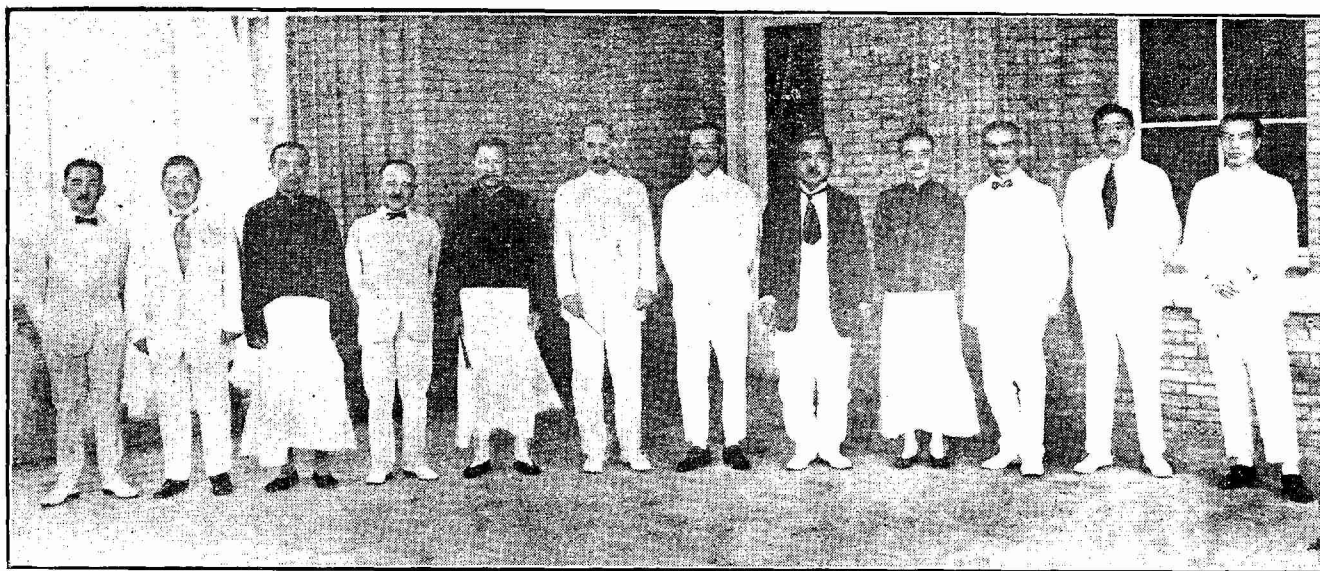
Exchange of ratification of Shantung Treaty by China and Japan.

JUNE 26, 1922

Beginning of negotiations between China and Japan at Peking to settle outstanding questions pertaining to Shantung Treaty.



Japanese Sailors in Tsingtao Facing Eastward



Joint Sino-Japanese Delegation at the Conference for Rehabilitation of Shantung Rights, Now in Session

Those in the photograph are, reading from left to right :

Kimora	木村	Secretary Japanese delegation
Ci-hchen	稽鏡	Secretary Chinese delegation
Lu Mun-yung	陸夢麟	Chinese Commissioner
Debuchi	出淵	Japanese Commissioner
Lao Chu-chang	勞之常	Chinese Commissioner
Obata	小幡	Japanese Chief Commissioner
Wang Chen-ting	王正庭	Chinese Chief Commissioner
Akiyama	秋山	Japanese Commissioner
Tang Tsai-chang	唐在章	Chinese Commissioner
Omora	大村	Japanese Commissioner
Yen Fe-ching	顏德慶	Chinese Commissioner
Hsu Tung-fan	徐東藩	Chinese Commissioner

Conference Committees

Committees in the Shantung Conference in Peking are given below

The sub-committee relative to the Tsingtao maritime customs is composed of the following members :

China: Sir Francis Aglen, inspector-general of the Chinese Customs; Chen Lan, chief secretary to the customs administration; General Liang Shantung, counsellor to the commission for the rehabilitation of Shantung rights.

Japan:—Mr. Yoshida, counsellor of the legation; Mr. Kimimori, financial attaché to the legation; Mr. Yano, secretary of the legation.

The sub-committee on valuation of railway properties for careful examination is composed of the following members:

China:—Dr. T. C. Yen, counsellor to the Chinese ministry of communications; C. S. Liu, formerly director general of railways, ministry of communications; E. F. Wei, technical expert, ministry of communications; F. K. Sah, engineer, Peking Hankow Railway; En-liang Tang, director of bureau of public roads of Shantung; Tsung-ling Koo, formerly chief accountant, Peking-Suiyuan Railway; Chia-k'un Shao, engineer, Tientsin-Pukow Railway; Tan-C en Wang, vice-director, administrative department, directorate of Shantung affairs; Shih-Chieh Tsui, secretary to the directorate of Shantung affairs.

Japan:—Mr. Omura, member of the Sino-Japanese joint commission; Mr. Toda, secretary to the Japanese ministry of communications; Mr. Saiki, chief accountant, railway department, civil adm., Tsingtao; Mr. Saito, head, labour department, civil administration, Tsingtao; Mr. Funada, director of factories; Mr. Sasagima, head of business department,

(Continued on page 93)

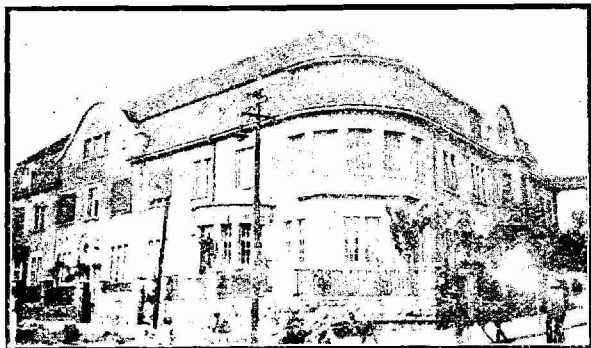


Mr. C. Y. Chiu

Mr. Chiu is private secretary to Hon. C. T. Wang, director general of the Shantung Rehabilitation Board. He is a graduate of Soochow University, Purdue University and Columbia University. He has served as secretary of the Ministry of Agriculture and Commerce and as Secretary of the Chinese Senate.

The Foreigners' Voice in Tsingtao

FOREIGN representation on the municipal council of Tsingtao constitutes a question of most vital concern to Americans and Europeans interested in, or likely to become interested in, the commerce of

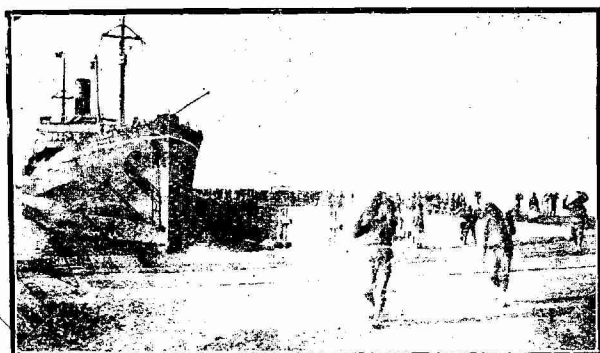


The Tsingtao Home of the Standard Oil Company

Tsingtao. The Shantung conference, now in session in Peking, is called upon to produce some sort of a solution, and what it does will go a long way toward determining the degree to which Tsingtao will appeal to foreign investors.

The Shantung treaty signed by China and Japan as a result of the Washington Conference negotiations provides, "The government of the Chinese Republic declared that in the management and maintenance of public works to be transferred to the government of the Chinese Republic, the foreign community in the former German Leased territory of Kiaochow shall have representation."

Because of the lack of definite provisions in the treaty as to the specific form of such foreign representation, it is admitted on all sides that outlining of details will be a most difficult matter, particularly because of the Round Robin conflict of interests. Three classes of interests may be considered to be contending, each aligned against the other. These three interests are represented by the Chinese, the Japanese and the Occidental communities.



Unloading the First Cargo of Oil Brought to Tsingtao by the Texas Company

Naturally the Chinese desire that government in Tsingtao municipality as well as in Shantung province should be Chinese to the fullest degree possible. Japanese, wishing to cling to every source of power and authority possible, wish to gain, or retain, for themselves as much voice in the affairs of the government as possible. The Occidental communities, meaning particularly the Americans and British,

long for an opportunity to participate in the municipal government to such an extent as to give their interests the greatest degree of protection consistent with the principles advocated for the restoration of Chinese territory to China.

It is generally assumed that the municipal council will consist of a Chinese body with some sort of an international committee serving in an advisory capacity but having super-advisory powers in matters pertaining to public works. If membership on this international body is arranged on a property basis or upon a basis of number of nationals, it will be practically a Japanese delegation, since the volume of property held by the Japanese so far exceeds that held by all Occidentals put together that the holdings of the latter become inconsequential in comparison. Likewise the number of Japanese is so much greater than the number of Occidentals that the body would be Japanese and not international if representation were reckoned by counting noses. For instance, the number of Americans and British together is less than a hundred while official reports show that the



Offices of American Trading Company in Tsingtao

Japanese population is considerably in excess of twenty thousand.

Y. Obata, Japanese minister to China, who is head of the Japanese delegation to the Peking conference, while in Tsingtao in connection with investigations in anticipation of this conference, stated to me that the Japanese would advocate a form of foreign representation shared in by other foreign nationals. Dr. M. Akiyama, chief civil administrator of the Tsingtao garrison, also a member of the Japanese delegation to the Peking conference, expressed a like sentiment. He declared that the Japanese desired Westerners on this international board or committee. He further expressed the hope that all the Western nations, materially represented in the commerce of this district, be represented on this board. He seemed to be of the opinion that representation should not and would not be placed on a property owning basis.

A Chinese who has given this matter much study suggested that the municipality should have a council consisting of two houses, the upper house composed wholly of Chinese and the lower house international in its membership. He would give the international house practically equal powers with the Chinese house in all matters. He also would require

(Continued on page 55)

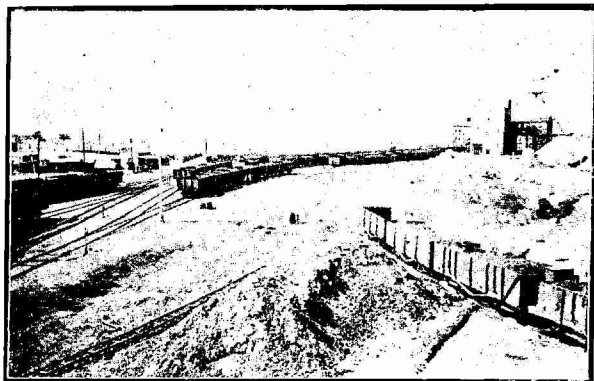
Japanese Mining Operations Imbitter Chinese

THE mere mention of mines in Shantung province suggests to Chinese in general the forceful seizure of a birthright of one nation by another nation, with China the offended party and Japan the offender. Even more than this is connoted; they feel that the offending party attempted to justify its offense by asking the world to declare that might makes right. No feature connected with the Shantung question touches a more sensitive spot with the Chinese than does the Japanese operation of the coal and iron mines along the Shantung railway and the Japanese plans that were connected with this piece of industrial endeavor.

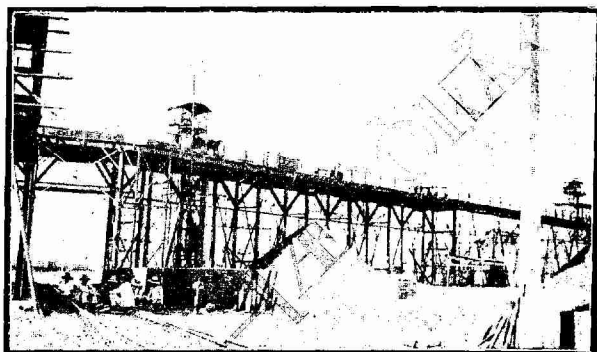
The turn of affairs in favor of the return of Shantung to China alone prevented the development of a large Japanese iron furnace industry in Shantung, probably a steel plant, according to information given out by Japanese connected with the Shantung

are the Tzuchuan mines, but the Fangtze mines are operated on a contract basis by private companies. The production of the contract mines is small in comparison with that of those operated by the government. Mines at Poshan proper are not government owned, but since Japan began establishing herself in this district have become Japanese-owned for the most part as may be seen from facts stated in other articles in this magazine.

Since the mining question of Shantung in its broader aspects is discussed elsewhere in this maga-



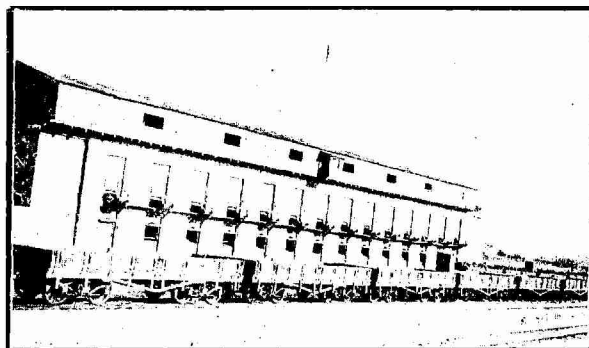
Railway Switch-yards at Tzuchuan Coal Mines in Shantung Province



Tippie at the Tzuchuan Coal Mines Operated by the Shantung Railway Administration

mines. The plan looks well indeed on paper, because there is the supply of iron ore and the supply of fuel together with the supply of cheap labor. At present the raw materials are going to Japan, in many cases the same boat taking iron ore and coal, which means that a big saving could be realized if the two raw materials were used to make a finished product, shipping steel or at least pig iron to Japan instead of the minerals from which it is made.

Three mines in the province are government owned, the Chinlingchen iron mines, five miles off the main line of the Shantung railway, the Tzuchuan coal mines in the Tzuchuan hsien or the Poshan district, and the Fangtze coal mines in the Weihsien field. The iron mines are operated by the government as a part of the railway organization as also



Ore Bins at the Chinglingchen Iron Mines

zine, discussed by a mining engineer of note, the writer of this article confines himself to the government mines under Japanese operation.

The Fangtze mines are leased to two firms or persons. The Fangtze West Colliery is operated by S. Yoshiki and the Fangtze East Colliery by G. Matsunami, both Japanese.

The following tables taken from official records in the office of the mining department of the railway administration in Tsingtao show the outputs for the



From Surface Mines in Shantung the Japanese Government Is Procuring 65 Percent Iron Ore

Tzuchuan and Fangtze mines under German and under Japanese operation:

Production			
	1913 (German)	1921 (Japanese)	
Tzuchuan	413,033 tons	551,289 tons	
Fangtze	198,988 "	155,512 "	
Coal Sold in 1921			
Mines	Tonnage	Value	
Tzuchuan	331,406	Silver Yen	2,175,454
		and	
Fangtze	31,913	Gold Yen	204,275
		Silver Yen	176,048

(Continued on page 60)

Japan's Peaceful Penetration of Shantung*

(By G. Zay Wood in "The Shantung Question"*)

THE record of Japan's seven years of occupation of the Shantung province is in every way an eloquent testimony of her extraordinary activity in all economic and industrial fields. Not only has she operated and controlled the Shantung railway and its branches; not only has she opened and exploited the rich coal, iron and gold mines along the railways; not only has she established various steamship connections between Tsingtao and the commercial ports in Japan or other ports on the Chinese coast, as has been described in a previous chapter; and not only has she made Tsingtao a practically Japanese entrepôt, the foreign settlement there a Japanese settlement, and the Chinese Customs Service a Japanese service. All this is perhaps to be taken for granted. But she has also laid her tentacles

area and transferred the public properties to China; and she may have surrendered to China all the tit-bits stipulated in the Shantung Agreement; but in Shantung Japan will remain an economic master.

The root of her economic penetration has gone so deeply in the fertile soil of the province that it is next to impossible to eradicate it within the short space of six months provided for in the Agreement.

It may be difficult at first to appreciate to the fullest extent how thoroughly Japan has been laying the foundation of her economic future in the province. A few specific instances of her peaceful penetration will, perhaps, help us to a keen realization of the situation.

Aside from the fact that the Japanese in Shantung have taken over all the economic enterprises



The Little Japan Growing Up in Tsingtao. This Photograph Made on the Beach One Sunny June Afternoon Tells the Story of Whose Youngsters Play on the Beach Most

on a number of minor activities a fact which bespeaks her systematic penetration of the province. For the last seven years, she has practically taken over the salt industry of the province; she has deprived the natives of their trade and placed it in the hands of her own nationals; she has taken over every commercial enterprise which was formerly the source of bread and butter for the natives; she has practically monopolised the fisheries in the leased territory; and, in short, she has placed her fingers on the very pulse of economic life of Shantung province. Japan's withdrawal from Shantung would be meaningless if she were permitted to continue her economic stranglehold. By July or August 1922, she may have withdrawn her troops, as stipulated in the Shantung Agreement reached at the Washington Conference; she may have given over the administration of the railways to China; she may have restored the leased

and activities formerly established by the Germans, they have blazed new trails in the exploitation of the natural wealth of the province. Apparently at the instance of their government at Tokio, they have purchased municipal utilities, pretentious buildings, power sites, and other public and private properties, with the determined purpose that they are there to stay in spite of the nominal transfer of the leased territory to be effected in the near future. They have flooded the province with Japanese drugs and demi-monde, brought in by Japanese vessels running directly between Japan and Tsingtao. Japanese merchants and traders are everywhere in evidence, and with the backing of their government and perhaps the leading financial institutions in Japan, they have made the most of their opportunities. The American Consul at Tsingtao observes that "the use made by Japanese merchants of the opportunities presented to them resembles the throwing open an Indian reservation to settlement." And an English writer on Far Eastern affairs, by no means unfriendly to Japan, has given the following

*"The Shantung Question," by G. Zay Wood, Chinese delegate to the Washington Conference, is one of the most recent publications on this subject. Fleming H. Revell Company: New York.

impression of Japanese activities in Shantung, after a visit to the capital of the province: "And everywhere in the thronged streets, amidst the goodly trees and solid buildings that remind us of Teutons departed, were the sons of Dai Nippon, civilian agents and harbingers of 'peaceful penetration,' more easily to be recognised here (in Tsinaufu) by their short stature than farther South. They hold themselves discreetly, yet with dignity, as if conscious alike of their isolation and of the greatness of the Island Empire behind them. And as a reminder of that greatness, to gladden their hearts, there were brisk-stepping companies of Japanese soldiers, detachments of the troops whose vanguard duty it is to 'protect' a Chinese railway on Chinese soil."

An American writer, describing the process of Japan's penetration of Shantung "as seen from within" gave the typical case of Po-shan mines. "Po-shan is an interior mining village. The mines were not a part of the German booty; they were Chinese owned. The Germans, whatever their ulterior aims, had made no attempt at dispossessing the Chinese. The mines, however, are at the end of a branch of the new Japanese owned railway—owned by the government, not by a private corporation, and guarded by Japanese soldiers. Of the forty mines (at Po-shan), the Japanese have worked their way in only four years, into all but four. Different methods are used. The simplest is, of course, discrimination in the use of the railway for shipping. Downright refusal to furnish cars while competitors who accepted Japanese partners got them, is one method. Another more elaborate method is to send but one car when a large number is asked for, and then when it is too late to use cars, send the whole number asked for or even more, and then charge a large sum for demurrage in spite of the fact the mine no longer wants them or has cancelled the order. Redress there is none."

The same writer went on to describe what may be called "the process of dispossession" resorted to by the Japanese in Shantung. "Tsinau has no special foreign concession. It is, however, a 'treaty port' where nationals of all foreign Powers can do business. But Po-shan is not even a treaty port, legally speaking no foreigners can lease land or carry on any business there. Yet the Japanese have forced a settlement as large in area as the entire foreign settlement in the much larger town in Tsinan. A Chinese refused to lease land where the Japanese wished to relocate their railway station. Nothing happened to him directly. But merchants could not get shipping space, or receive goods by rail. Some of them were beaten up by thugs. After a time, they used their influence with their compatriot to lease his land. Immediately the persecution ceased."

The incident seems incredible at first sight. It is, however, all true, for it is nothing but a statement of the actual conditions which have existed in Shantung for the last seven years. Professor John Dewey, the author of the statement, visited Shantung a number of times and he was the eye-witness of the sinister process. His veracity cannot be gainsaid.

The commercial activity of the Japanese in Shantung is manifold. To give but a few typical instances, we may mention the Oriental Salt Company, which was established on March 31, 1918, as a Sino-Japanese joint concern, with the right to use 3,000 acres of land in Yintao in the Kiaochow Bay as a

salt field; the taking over of the German brewery at Tsingtao by Japanese brewers who have flooded Shanghai, Tientsin, and other commercial ports in China, with Japanese beer; the establishment of a Sino-Japanese fishery, with 10,000,000 yen as its capital, and with Tsingtao, Hulutao, Changku, and Hsinho as the fishing area; and the organization of a special transportation system on the Kiaochow-Tsinan Railway and other features which have long characterised the system of transportation on the South Manchurian Railway. The following extract from an article which Willys R. Peck, formerly American Consul at Tsingtao, wrote for the *Commercial Handbook of China*, attests to the Japanese activities in the province. He said:

"Japanese capitalists seem to be inaugurating a vigorous development of the manufacturing possibilities in Tsingtao, . . . raw materials for such enterprises being obtainable both cheaply and abundantly in the hinterland of the leased territory of Kiaochow. An additional development in the near future will probably be iron works, using ore from the mines at Chinlingchen, 180 miles from Tsingtao, on the Shantung railway. Plans for the reduction of this ore had been projected by the Germans at Tsangchow,



Wreckage of the German Defenses of Tsingtao after the Surrender to the Japanese

eleven miles from Tsingtao. Since the Japanese occupation of the leased territory of Kiaochow, the following enterprises (among others), with an aggregate authorised capital of \$3,000,000, not including capital of parent firms, have opened establishments at Tsingtao: flour mills, oil mills, silk filature, spinning mills, ice factory, rice mills, tanneries, match factory, egg-products factories, chemical factory, soap factory, smelting works, and cannery. These factories are located conveniently with respect to shipping."

The most typical instance of Japan's peaceful penetration, which appears to be irresistible, is the gradual process of absorption of the small trades in the province. Take, for example, the peanut trade in Shantung; for years and years, it has proved a prosperous trade which the natives of the province have considered as a sure means of earning livelihood. Though not counted among the important industries, the growing of peanuts and the extraction of peanut oil has promised to thousands and thousands of people enough yearly income to save them from the path of starvation. The nuts, both shelled and unshelled, as well as the oil, are mainly imported into the United States. In 1920, no less than 132,412,423 pounds of peanuts were imported by the United States,

most of which, it has been pointed out, were grown in China. In the same year, 170,160,367 pounds of peanut oil were imported by the United States, which called for the crushing of an even larger volume of peanuts abroad. For the fiscal year 1920-1921 imports of peanuts totalled 47,989,230 pounds and peanut oil 18,



A Glimpse of the Water Front along the Residential Section of Tsingtao

676,191 pounds. While it is undoubtedly true that most of the peanuts imported by the United States are grown in China, it is also true that the peanut trade has been gradually taken over by the Japanese who, with larger capital at their disposal, are always in the position to buy out the small "peanut farmers" in Shantung. Read the following extract from a bulletin issued by the bureau of markets and crop estimates of the United States Department of Agriculture, to be convinced of the real character of Japanese peaceful penetration:

"For a number of years China has produced the bulk of the peanuts imported into the United States. Shantung is the leading peanut producing region in China, as its soil is particularly adapted to the growing of peanuts. This nut grown in that province is said to be larger than that grown in any other part of China, and contains more oil. The provinces of Honan and Chihli rank next to Shantung in the production of peanuts. Peanut "farms" in Shantung are small plots of ground, often not more than two acres in area. Yet from the produce of small plots like this a Chinese farmer secures a living not only for himself and family, but occasionally gives his sons a college education. This is all the more remarkable in that most Chinese farmers use only primitive methods of cultivation.

"The peanut business in Shantung has largely been taken over by the Japanese as the successors of the Germans. Japanese traders at Tsingtao annually export large quantities of peanuts and peanut oil to the United States by way of Kobe and other Japanese ports. Kobe has consequently come to be considered one of the leading peanut and peanut oil markets of the Far East. Japan exports some peanuts, but the greater portion of the nuts tabulated by the United States customs officials as coming from Japan are actually produced in China. American consular officials in China have reported that transpacific freight rates in the past have been such that nuts could be shipped from Tsingtao to Kobe, Japan, or to Dairen, Manchuria, and thence to the United States at lower rates than by shipping directly from Tsingtao. Considerable quantities of peanuts are also imported from Hongkong, but these, too, are mostly grown in China. During the fiscal year ending June 30, 1920,

China, Japan and Hongkong shipped 120,042,879 pounds of our total import of 132,412,423 pounds. One of the significant features of the peanut trade during that year was the large importation from the Dutch East Indies, principally Java, whence 5,824,644 pounds were received. Java nuts are said to be heavier and more oily than the Chinese product."

Another instance is the control of the manufacture of salt, one of the ambitious schemes that the Japanese military and civil authorities in Shantung have cherished and realized.

The manufacture of salt has been, for centuries, one of the important industries among the natives of the province. In fact, from very ancient times, Shantung, has been noted as the largest salt-producing province in China. The best known district wherein the manufacture of salt has been carried on on a large scale is the region along the mouth of the Yellow River and the region which surrounds the Kiaochow Bay. When Germany leased the territory for a period of ninety-nine years, she acquired within the leased area some salt works along the ocean front around the promontory to the north of the famous bathing beach in Tsingtao. The question at once arose as to whether or not salt produced in the German leased area should be sent into Chinese territory and the interior of the province, free of duty, or disposed of along the coast. An equitable plan was later worked out and agreed upon, that all salt shipped from Tsingtao to other ports along the China coast was to be officially stamped and accounted for, and four-fifths of the profits from its sale was to be turned over to the Chinese salt administration. It was also agreed that no salt—no "foreign" salt, whether produced in the leased area or brought from foreign countries—was to be brought in through Tsingtao to be sent into the interior, and no Chinese salt, with tax yet unpaid, was to be shipped out through Tsingtao. This agreement was in accordance with the regulations of China's Salt Administration, which



Work of Improving the Tsingtao Harbor Goes on Constantly as Here a Dredge Is Seen at Work

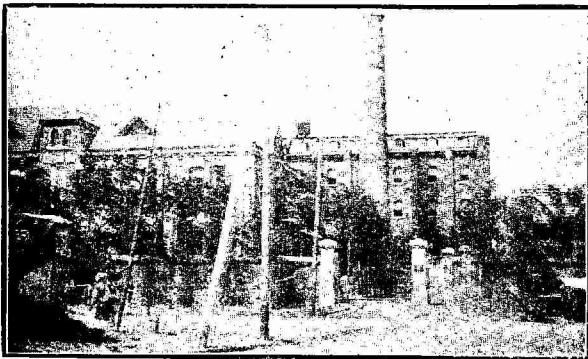
prohibit the export of salt made in China to escape tax and forbid the import of foreign cheap salt to compete with the Chinese taxed salt.

To the Japanese, who swarmed in the Shantung province after the Germans had been driven out, the possibilities of the salt business looked unusually attractive. Early in 1915, they formed their connections with the salt producers and dealers inside and outside of the leased territory, and by the beginning of 1916 the salt industry in the Kiaochow Bay regions fell practically into Japanese hands.

(Continued on page 72)

Tsinanfu-Japanese Business There to Stay

THE Japanese intend that big business in Shantung province is to remain in Japanese hands and under Japanese domination regardless of what political changes, apparent or real, are brought about as the result of negotiations and conferences looking to the restoration of Shantung to China. Japanese business has such a footing in this province that it will not be eliminated or seriously affected as the result of political changes or agreements, they believe. In fact they say so in exactly so many words. A group of the leading Japanese business men of Tsinanfu, the capital of the province, so stated to me.



South Manchurian Flour Mills of Tsinanfu. It Is Equipped with Modern American Milling Machinery and Does a Thriving Business

That this article may be more readily understood, I shall outline very briefly the conditions connected with the interview upon which it is based. I came to Shantung province in June to get first-hand information on actual facts as to Japanese holdings and Japanese plans, political and commercial, in the province. From the office of the Japanese Minister in Peking I had procured letters to Japanese officials and representatives in the province, including the Japanese consul in the capital. Upon my arrival I found the Tsinanfu consul was in Tsingtao, where he had gone to spend several days in connection with reports for use in connection with the Shantung conference. I went to Tsingtao to see him, riding on a Shantung Railway train on a pass presented me by the railway offices upon a request made by a representative of the consulate for the ministry in Peking, without my asking for it. In Tsingtao I was received most courteously by the Tsinanfu consul and from him procured letters to Tsinanfu Japanese, the president of the Japanese Chamber of Commerce, Y. S. Omachi, a general exporter and importer. When I called at the office of Mr. Omachi I found that the consul also had telegraphed him from Tsingtao requesting him to give me the information I sought. Mr. Omachi called together in the building of the Chinese-Japanese Club (principally Japanese) a group of business men and from this group I got the interview upon which this article is based. In this group, besides Mr. Omachi, there were: T. Sugihara, manager, the Bank of Chosen, Tsinanfu; T. Suga, of the Tsinanfu branch of Yokohama Specie Bank; T. Hamamoto, of the Manchurian Flour Mill Co.; M. Awata, representing the Oriental Development Company; H. Naito, of the China and Japan Industrial Development Company, and K. Hattori, of the Chinese Postal Service, who stated that he was slated for the postmastership in

Tsingtao. Mr. Hattori acted as interpreter as most of those present understood little or no English. The frankness with which they stated their views relative to continuation of the Japanese commercial hold on Shantung surprised me.

These men, figuring among themselves to answer my questions, stated that about one-twentieth of the privately owned property in the commercial districts of Tsinanfu is in Japanese hands, and that it is not the intention of those having property there to leave. They declared that they came without any promise from the Japanese government as to the length of tenure of Japanese hold, that they were what might be called commercial pioneers with the pioneering spirit which would keep them there. While they represent lines of business having no direct government connection, most of them have come since 1914. Their reports were to the effect that a few Japanese were there before 1914 but that the bulk of the 2,200 residing there had come since that time, and that the Japanese population there has been at about a standstill since some time prior to the Washington Conference.

I asked for an outline of what the Japanese Chamber of Commerce in Tsinanfu wanted as to terms of settlement of the Shantung issue and this is briefly the outline they gave me: internationalization of the port of Tsingtao; Sino-Japanese operation and ownership of the railway; Sino-Japanese ownership and operation of the mines; equal rights for Japanese in commerce in the province. By the last named condition is meant lack of discrimination against foreigners in business, which applies to Japanese.

When I asked about what would be wanted by the Japanese in commerce to guarantee them against discriminatory measures and practices, particularly



Chinese Wheelbarrow Coolies Marketing Wheat in Tsinanfu, Capital of Shantung Province

on the railway, after Japanese political hold is loosed, they declared they could expect nothing specific, that if cases of discrimination arose, they would have to be dealt with as they arose, that they could not be anticipated.

In explaining just what they wanted in regard to the internationalization of Tsingtao these gentlemen explained that they should like to see that city in government pattern itself after Shanghai. They would have the municipal governing council a board

(Continued on page 80)

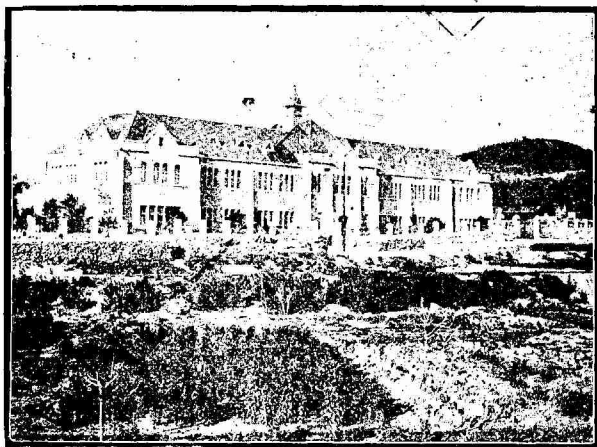
Cultural Aspects of the Japanese Occupation in Shantung

By J. J. Heeren, Phd.

SINCE the autumn of 1914 we in Shantung have usually thought of the Japanese in terms of bayonets, barracks, brothels, morphia pills and opium dives. Recently, however, the Washington Conference gave a new twist to the political weather vane. The soldiers outside the leased territory have left, and the gendarmes, with the exception of a handful watching the Japanese on the passenger trains, have scurried back to Japan. The post offices are to be abolished, the railway is to be returned, and Tsingtao will be restored to China. When all this has been actually done, will there still be a Shantung Question? Certainly! We shall have to state it differently, but the question will be there still. Formerly, the military factors were prominent; in the future the cultural and economic forces will predominate.

With ever growing clearness our historians are learning to see that in the making or unmaking of a civilization, or of a country, far more important than bayonets and barracks, cannon and cavalry, are printing presses, periodicals, books, banks, schools, hospitals, churches and factories. The Shantung treaty has ordered back to Japan the swaggering military officer and the haughty civil official, but it has left in Shantung the rank and file of the Japanese occupation. These men and women are here to stay; and they will propagate a culture and cultural ideas that are Japanese.

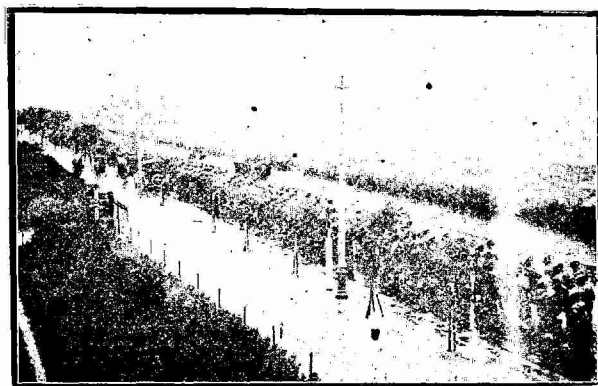
Usually the four greatest cultural agents are the church, the school, the hospital and the press, or priest, teacher, physician and editor. Since the Shantung treaty has not sent a single one of these culture carriers home, it may be of interest to the reader to catch a glimpse of the Japanese religious, educational, medical and journalistic activities in Shantung.



The Tsingtao Girls' High School Building

Religion has always been a cultural power. Roman Catholic and Protestant missions in China furnish daily proof of how religion can affect the lives of men and women. In this respect, however, Japan offers but little. China gave Japan her Buddhism, and Japanese Shintoism is too nationalistic to find favor with the Chinese. Although the West can point with pride to the power of Catholic and Protestant missionaries to leaven the social lump, Japan can boast of few, if any, temples and priests in China doing a similar cultural work. There are two Japanese

Protestant churches in Tsingtao and a handful of Christians in Tsinan, but their influence on the Chinese is nil. Although there are three Japanese shrines in Tsinan and a large and beautiful Shinto temple in Tsingtao, the Chinese pass them by unmoved. In the provincial capital, however, we have a Shinto school with upwards of one hundred Chinese students. This school teaches Japanese three hours a day, from 9-12 o'clock, five days a week, for a monthly charge of one dollar. But the Chinese in attendance seem to be after the language rather than the religion. Although Art. 2 and Art. 7 of Group V. of the Twenty-One Demands show that Japan would like to compete with the countries of the West in missionary activi-



Japanese Sailors Marching through the Rain in Tsingtao on the Day of the Opening of the Sino-Japanese Conference on Shantung Rehabilitation in Peking

ties, presumably on account of the indirect economic advantages in the wake of such work, in all such efforts, in Shantung at least, she has singularly failed.

Possibly this very failure in missionary endeavor is driving Japan to redouble her efforts in medical work. If the priest cannot disseminate Japanese culture, the Japanese doctor and hospital can, and do. Doubtless, with this cultural aim in view the Japanese like to open hospitals at strategic points. In this province, besides several private ones, we have eight Japanese government hospitals. Some of these are small and inefficient, while others are well staffed and superbly equipped.

In Tsingtao the Japanese are maintaining the old German military hospital, which they have materially enlarged, and two others for Chinese patients, one of which is a charity institution. The finest example, however, of Japanese medical work in Shantung is the Tsinan Hospital. It is splendidly equipped and well staffed with Japanese specialists and Japanese trained Chinese physicians. At least a million dollars have been poured into this plant in order that among all the hospitals of the province it may rank first.

During the boycott the Tsinan Hospital was not popular, but it is now rapidly growing in favor with the Chinese. Together with its free dispensary, where every day more than 200 poor receive treatment, this institution gives medical attention to 600 patients a day. Seventy percent of these are Chinese; the remaining thirty, Japanese and Westerners. No foreign hospital in Shantung has a record like this.



Japanese School Boys of Tsingtao on the Tsingtao Municipal Pier Watching Ships of the Japanese Fleet in the Harbor. Note the Uniforms of the Boys. Japanese School Boys Wear Uniforms Similar to a Military Outfit and Are Taught Drills Resembling Those of Military Bodies.

The nurses' training school of this hospital reveals the ability of the Japanese to compete with the West from a different angle. While the University Hospital Nurses' Training School in Tsinan starts nurses in training with a wage of \$1.00 per month, which it increases a dollar per month each year until the girls get \$4.00 a month during their fourth, or last year, the Tsinan Hospital pays the girls \$8.00 a month the first year; \$12.00, the second year; \$15.00, the third year, and a still higher monthly wage during their last year. Many a Chinese girl deserts the foreign school for the Japanese hospital.

Not only are the fees for dentistry and other professional work small, but the prices charged for the medicines are also very low. Some time ago the writer took a nose prescription, which the local Western hospital could not fill, to the Tsinan Hospital, where it was filled for Mex. \$0.20. In the United States the same quantity of this prescription costs G. \$0.53.

Contrary to our Western custom, this hospital offers first-class work in dentistry. Many a foreigner, even, prefers to go to the Tsinan Hospital to have a tooth filled for a dollar or two, rather than spend \$20 in car fare, at least \$10 for hotel bills, lose several days of time and pay a fancy fee to an Anglo-Saxon dentist in Tientsin. The annual, or semi-annual visit, of a foreign dentist does not meet the situation satisfactorily, nor does it eliminate Japanese competition.

With the sinews of the boycott weakening, as long as the courteous, amiable and highly efficient Dr. Makino heads the institution, the Tsinan Hospital will be a cultural force to be reckoned with. In varying degrees this is also true of the other large Japanese hospitals in Shantung. Another agent in spreading Japanese culture in the sacred province are the Japanese schools. Of these there are two types; the one for the children of the Japanese, the other for the Chinese.

The Japanese public schools in Shantung are usually well equipped and provided with good teachers. In Tsingtao, the new Industrial Boys' High School, attended by 400 Japanese boys, is housed in up-to-date buildings costing two hundred and eighty thousand dollars. Besides this institution there are in the port city a good Girls' High School, as well as an admirable system of lower schools. According

to Art. VII. of the Shantung Treaty these schools will remain in the hands of the Japanese, and it is commonly understood that in the future they will be supported by the Japanese government. In Tsinan the Japanese public schools are housed in commodious, substantial and attractive brick buildings, and they possess as a part of their equipment a spacious playground and a good gymnasium.

Little Fangtse, too, has a Japanese primary school, to which many children come from stations along the railway where there are no schools. Even in China, if at all possible, every Japanese child goes to school; very often he has to take the train to get there. Many a time has the writer admired toddling Japanese "kiddies," with knapsacks strapped to their shoulders, on the trains going to school, or coming home. Under the present railway management such transportation costs the Japanese nothing.

Besides the purely Japanese schools we find schools for teaching the Japanese language to the Chinese. There are institutions of this kind in Tsingtao, Tsingchow and Tsinan. The "Dung Wen" school in the provincial capital, attended by more than a hundred Chinese, is well provided with library facilities as well as with scientific apparatus of various kinds. This school has developed into something more than a mere language kindergarten. In addition to the teaching of Japanese, it is offering a full high school course taught through the medium of the Japanese tongue.

Although they have repeatedly tried, so far the Japanese in Shantung have failed to induce the Chinese to co-operate with them in maintaining schools of the type of the former Sino-German High School in Tsingtao, where Chinese students from the upper classes were given a thorough training through the medium of the German language. The much advertised Tsingtao Industrial and Commercial University, located in the old German Officers' Casino, is now endeavoring to secure such co-operation, but so far it has failed. Should the Japanese ever succeed in establishing such schools, they would have a cultural lever of immense power.

In some ways the most successful cultural influence in Shantung is wielded by the Japanese press. There

(Continued on page 84)

German Railway Rights in Shantung

By P. H. Kent

(In Railway Enterprise in China)

THE occupation of Kiaochow by Germany was decided upon in principle in 1896. In that year, it will be remembered, Li Hung-chang paid his celebrated visit to Moscow, being present at the Coronation festivities of the present Czar. On his return he passed through Germany. It was suspected at the time that Russia had secured valuable rights in North China and Manchuria. On being pressed Li Hung-chang steadfastly denied that this was so. Shortly after he had left the country, however, the German government received certain information that their suspicions had been correct. Thereupon Kiaochow, in anticipation of Russian aims, was mentally earmarked as a future territorial acquisition of Germany, who was badly in need of a naval station in Chinese waters, with the province of Shantung as their sphere of influence.

The opportunity to act upon this decision arrived shortly afterwards.

In November 1897 two German missionaries were murdered by Chinese, and the occurrence was made the ostensible cause of the seizure and occupation of the coveted territory. By a curious coincidence the scene of the outrage was the province of Shantung, a circumstance that served to foster the illusion.

The circumstances of this proceeding were briefly as follows. Early in November the missionaries were murdered. On the 14th of that month Admiral von Diedricks, Commander-in-chief of the German squadron in Eastern waters, took possession of the heights surrounding Kiaochow Bay. Later in the day a proclamation was issued explaining the circumstances of the occupation, and while maintaining that friendly relations existed between Germany and China, hinting by no means obscurely at the intention of Germany to retain the occupied territory.

In Europe the significance of the German action was fully realized. The Russian press dwelt upon the logical consequences that must ensue, and on all sides it was recognized that a crisis had arisen which might entail far-reaching consequences.

The following comment of the *Novost* is of interest, as indicating the current view :

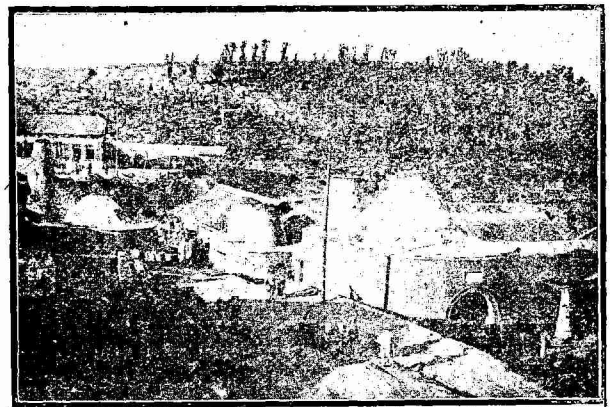
"This event will perhaps form a starting-point for a decision in the Far Eastern question. Everything depends on whether the Germans remain in the occupied town or decide to give it up again. If the occupation should be a lasting one, Russia must take immediate steps to safeguard her life interests in China. Of all the colonial struggles heretofore undertaken by Germany, this one with China is by far the most important as it brings her into contact with the interests of Russia and Japan.

"It is in no way desirable for these two States that Germany should establish herself in their close proximity, and force herself into what is to a certain extent their sphere of influence. Moreover, if Germany is not deterred by protests on the part of the other powers, the occupation of Kiaochow will form a very convenient excuse to ask the Reichstag to grant a further increase of the navy.

"Russia especially can learn a lesson by the occupation of Kiaochow by German troops, and it can well serve as an example. Russia stands greatly in need of a port free from ice in these regions. The Chinese government will never of their own free will place a port at their disposal in gratitude for services rendered. If, therefore, Germany declines to evacuate Kiaochow, Russia on her side will have every right to occupy, in retaliation, some portion of Chinese territory."

The occupation of Kiaochow was followed up by the presentation by Baron von Heyking, the German Minister in Peking, of the following demands :

1. The building of an Imperial tablet to the memory of the missionaries who were murdered.
2. The families of the murdered missionaries to be indemnified.
3. The Governor of Shantung to be degraded permanently.
4. The Chinese government to defray the cost of the German occupation of Kiaochow.



Pottery Factory of Poshan, Shantung Province

5. German engineers to have preference in the building of any railway which China may construct in the province of Shantung, and also in the working of any mine which may exist along the track of such railway. (1)

These demands the Chinese refused to discuss until Kiaochow had been evacuated. In reply Baron von Heyking informed the Yamen that "the uselessness of putting any faith in the promises of the Chinese government having been proved by experience, the evacuation of Kiaochow would not take place until the Chinese government had assented to the German demands." The Chinese then changed their ground, and negotiations proceeded.

Meanwhile, to the previous demands, had been added a request for a guarantee of proper protection in the future of the lives of German subjects in China. Early in 1899 these several demands were acceded to, including the demand for a guarantee. The latter took the practical form of a lease of Kiaochow Bay and a section of the hinterland to Germany for ninety-nine years, which, as Baron von Bulow put it, affords "the best security," for "by this the Chinese authorities will have continually before their eyes the evidence of German power, and will realize that wrongs committed

against German nationals will not remain unavenged."

On a later occasion the same statesman summarized the policy of Germany:

"Mention has been made of the partition of China. Such a partition will not be brought about by us at any rate. All we have done is to provide that, come what may, we ourselves shall not go empty-handed. The traveller cannot decide when the train is to start, but he can make sure not to miss it when it does start. The devil takes the hindmost. But we do not desire, and I beg to impress this point on you—we do not desire a partition of China, and I do not believe that there is an immediate prospect of such a division. But in any case (and here, I think, I can best resume the advantages secured to us by the occupation of the port, as well as the reasons which induced it), in any case, I say, we have secured in Kiaochow a strategical and political position which assures us a decisive influence on the future of the Far East. From this strong position we can look with complacency on the development of affairs. We have such a large sphere of action and such important tasks before us that we have no occasion to grudge other nations the concessions made them. German diplomacy will pursue its path in the East as everywhere else—calmly, firmly, and peacefully. We will never play the part of mischief-maker, nor will we play that of Cinderella."

The lease in its final form was signed on the 6th March, 1898, a railway convention being concluded on the same day, whereby the right to construct a triangle of railways in Shantung was also secured.

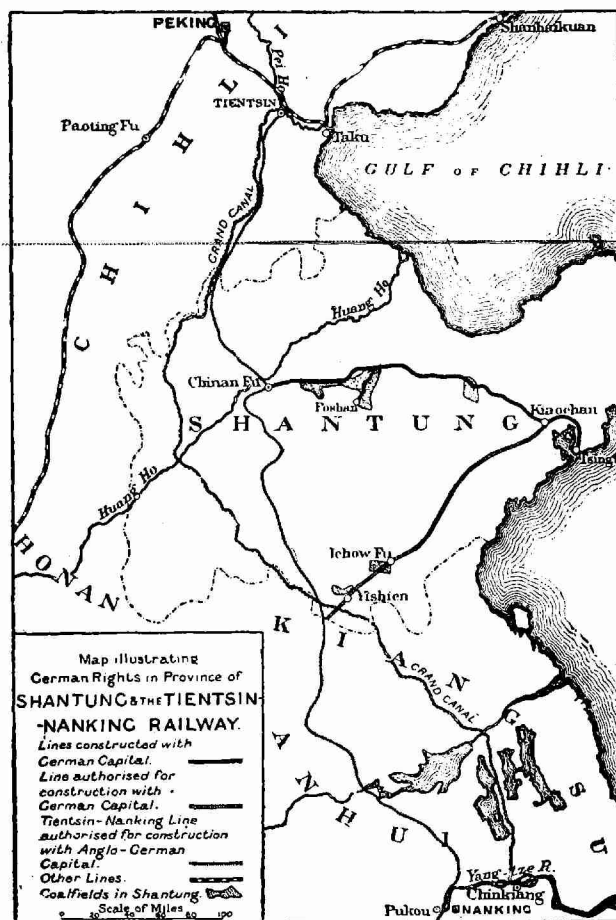
The first of these lines was to run from Kiaochow to Tsinanfu in the north-west portion of the province of Shantung. Thence a branch was to proceed southwards to Ichowfu, where it would be met by a second line starting in the neighborhood of Kiaochow and aiming at the south-western boundary of the province.

The acquisition of these rights aroused keen enthusiasm in Germany, and on the presentation of the supplementary estimate to the Reichstäg in April 1898 a sum of 5,000,000 marks was voted "for the establishment of Kiaochow as a commercial and strategic Point d'appui."

In the following September, in accordance with Germany's undertaking, when the lease of territory was arranged, Kiaochow was declared open to foreign trade without distinction of nationality, and by arrangement between the Chinese and German governments a station of the Imperial Maritime Customs was established at Tsingtao.

Meanwhile the development of Kiaochow, or rather of the part of Tsingtao which had become the seat of the government, had been proceeding, and before the end of the year it had become necessary for the Imperial Exchequer to give a further sum of 3,500,000 marks in order to enable the harbor works, government buildings, and general development of the new "colony," as Kiaochow was referred to in the German press, to proceed in accordance with the original scheme.

At the same time keen competition had arisen in Germany between various syndicates for a concession from the government to construct the railways in the province, and in the winter of 1898 a combination was arranged between some of the chief competitors, with the result that in June 1899 the *Shantung Eisenbahn Gesellschaft* was formed in Berlin with



a capital of 54,000,000 marks. In order to fulfil the terms of the convention, which provided for the construction by joint Chinese and German capital, it was arranged that shares should be put on the local Eastern markets.

The concession secured by the Syndicate comprised the following rights:—

Firstly, the right to construct a railway from Tsingtao to Kiaochow, and thence by way of Weihsien to Tsinanfu, with a branch line to Poshin. The construction of the portion from Tsingtao to Weihsien had to be completed in three years, and the whole line within a further period of two years.

Secondly, the Syndicate was given the option until the end of 1908 to construct the line from the neighborhood of Kiaochow to Ichowfu, that is to say the southern fork of the triangle; and also the base of the triangle, the line between Tsinanfu and Ichowfu.

Thirdly, the syndicate secured the exclusive right for a period of five years of searching for minerals and petroleum within a zone of thirty Chinese li (ten miles) along both sides of the railway line and of applying for claims in respect of them.

These valuable rights were granted on the terms, that, in consideration of the large expenditure incurred by the government for harbor works, the railway company should pay the government a proportion of the surplus profits after having paid 5 percent dividend to the shareholders.

The financial aspect of the matter having been settled, the work of construction was commenced in September 1899.

(Continued on page 82)

Food for Misunderstanding

By Fang Han Shen

IT is a trite theory that ascribes the foundation of friendly relations between China and Japan to the fact that peoples of these two countries are of the same race and have similar scripts. Their racial and language kinships result from their proximity, referring partly to their geographic contiguity and partly to their frequency of intercourse.

Times however, changed and now financial interests constitute the very root of all treaties and conventions all over the world, so that when anything in the nature of a diplomatic treaty is to be made financial relationship comes into consideration. If two countries agree on financial matters then intimate political friendship is a foregone conclusion and literally scientific relationships may be formed.

To advocate the formation of friendly relations between Japan and China on the basis of the old conception would result in "too much cry and little wool." The past proceedings between the two countries is an undeniable proof of this. The engagement in 1894 between Japan and China forms a significant landmark in the history of friendship between the two countries. The Sino-Japanese war, *en passant*, was not fought between two ambitious militarists, who, aiming at something else, drove four hundred million docile people and forty million loyal and brave subjects to war. The growth of friendship after the war testifies to this fact.

The friendly relations thus established grew more intimate during the Boxer trouble in 1905 and still more so again during the Russo-Japanese war in 1904 and 1905, when Japan exemplified the victory of justice.

It may be attributed to the closer relation with Japan or admiration for Japanese. At any rate Chinese became infatuated with the Japanese—so much so that numbers of Chinese students were sent to Japan and anything Japanese was admired. Had conditions gone on unchanged the friendly relation between Japan and China now would be actual and not merely nominal. Sorry to relate a factor arose in the formation of friendly relations. What is this factor?

Many sycophantic Japanese trying to cultivate intimacy externally, but doing the exact opposite in fact, give the answer. While the rampancy of these sycophantic Japanese was becoming more and more bold the revolution of 1911 took place in China, the revolution from monarchy to republic, from autocracy to democracy. This revolution must have been a kill-joy to such Japanese as those mentioned above. There is no doubt that they supported efforts to restore the monarchy in China, but the results were negative. In spite of repeated failures of a similar nature, some Japanese still seem not to come to their senses, which is to our regret.

Japanese diplomacy toward China began to be unmasked and many Chinese now began to harbor enmity against the Japanese because of their attitude which was devoid of faith toward China. Time rolled on and the great European war broke out. This afforded an opportunity for Japan to steal

while all others were busy in the battlefield. But Japan was shrewd enough to bring out the Anglo-Japanese Alliance as a subterfuge. Then in 1915, during the Okuma Ministry, Japan made China a nice offer in the form of the Twenty-One Demands. A dreadnaught appears to have rendered much service in bringing about the acceptance of this offer. On the part of China objections against the proposal arose of course, but in view of the fact Japan would listen to no murmuring, the articles of the Twenty-One Demands were signed. Many strong advocates against this signature were reported, without doubt, since there is living a rational and patriotic spirit, but such objections were in vain.

Law may in a sense be said to be enacted for the convenience of the strong, and for thousands of years it has been said that might makes right. Indeed the legally signed treaties of the Twenty-One Demands could not be disclaimed either at the Versailles Conference or at the Washington negotiations, because if this document were repudiated international law of long standing would be uprooted.

May 25, 1915, was a disgraceful day—one with no parallel in China. As a result of this day and what it brought, the anti-Japanese movement started in a very short time. In this transitory world things that prosper surely fail. Japan seemed to, or indeed did secure many privileges, rights and profits in Shantung and Manchuria, but all such profits and rights - what were they? It did not pay China at all.

The territorial ambition and expansion of monarchism pushed by the Japanese proved rather an awkward weapon in the present field of business struggle. The Twenty-One Demands did little service for Japan at this juncture also. The present world is not one of sword fighting but one of financial struggle, and financial combination with your neighbor is the root of victory.

Japan's militaristic measures kindled anti-Japanese movements in China, especially in the South where the wind fanned the flames into an awful conflagration. The flames spread with an invincible violence, destroying everything in their route. Support of other states added to the violence of the movement and no Japanese goods regardless of quality and price were allowed to come to the China market. Japan should have China for a sole market, while she alone destroyed this market by following a wrong policy. How stupid of her!

With all this before us, it is din to the ear to hear the advocacy of friendly relations with China. The Twenty-One Demands unquestionably constituted a block in the trade route between Japan and China. "Fighting between a clam and kingfisher ends in the fisherman's profit."

Not only financially, but politically also, Japan failed as a result of the above-mentioned action, because the so-called pro-Japanese statesmen are disappearing from the political world in China, and Japan's opportunity for effecting political combinations with China also is diminishing, and as China pro-Japanese

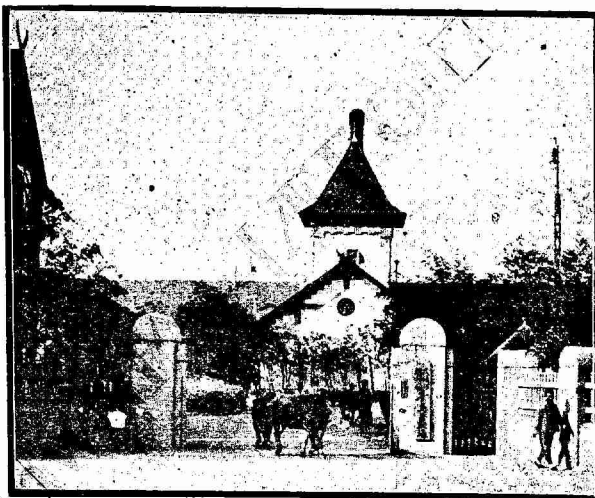
(Continued on page 86)

Looking to Shantung for Beef

The bovine population of Shantung is estimated to be between 800,000 and 1,200,000. The southwestern portion of the province leads in cattle production and the peninsular district comes second. There is no extensive stock farming, the individual herds being quite small.

Tsingtao is the principal export center but Chefoo has exported much meat also. A German-built government-owned slaughter house at Tsingtao has proved a profitable institution and has done a great deal to foster this industry. It was erected by the Germans and taken over by the Japanese as a part of the government property during the war. It cost the Germans 850,000 marks and the Japanese government budget for the current year anticipates a revenue of 157,014 yen from it.

As to the quality of Shantung beef the following is quoted from the report of K. Ishifuku, a Japanese who conducted a laboratory study into its suitability for market: "The beef that I analyzed matches in quality German beef, and is rather superior to American and French beeves. It is regrettable that no record of the ingredients of the dried substance of Japanese oxen was obtainable. Therefore comparison in this point was impossible but in water substance the Shantung beef seems richer than that of Japan. The best beeves of the world are known to be those produced in Germany, France, Hungary, Russia and Japan, and the Shantung beef not being far inferior to these has a promising future as to market outlook."



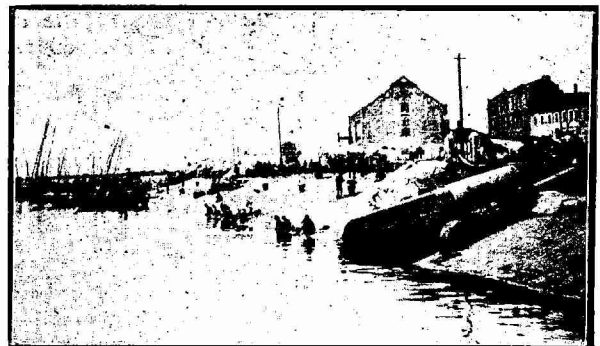
Tsingtao Government Abattoir

One of the biggest contracts for Shantung beef was to supply the American army posts in the Philippines. The U. S. soldiers in the Orient lived largely upon Shantung beef for some years, although this contract recently was lost through Australian competition.

For a time after Japanese occupation of Shantung beef from this district was practically barred from Japan, the prohibition being partially a precaution

against disease and partially as a measure for the traders in Japan, according to statements from Japanese sources. However, in 1916 when meat prices were high the bar was lifted and the Shantung product gradually gained a place on the market there until now Japan is the big purchaser.

A Japanese claims credit for being the first to



It Is a Busy Scene Where Junks Are Loaded and Unloaded in the Tsingtao Harbor

export Shantung beef. He sold small quantities to Dairen, exporting by way of Chefoo, during the Russo-Japanese war. The Tsingtao beef export business dates from the opening of the government slaughterhouse by the Germans. The capacity of this slaughterhouse is 2,000 head of cattle daily. Soon after Japanese occupation substantial business in the sale of beef to Dairen and Vladivostok developed.

While the Japanese have taken the leading part in this business William Katz and Company, an American firm, also participated substantially, largely through the American army contract. Japanese, however, had acquired a half interest in the Katz company prior to the close of the war. This company has a large refrigerating plant in Tsingtao.

In 1918 at the government slaughter house at Tsingtao 36,710 head of cattle were killed; 8,856 hogs; 764 sheep and 19 goats; making a total of 46,349 animals for the year.

The following table shows the number of cattle slaughtered in this abattoir:

In German Times			In Japanese Times		
1908...	...	5,295	1915...	...	8,135
1909...	...	5,483	1916...	...	15,140
1910...	...	7,066	1917...	...	24,674
1911...	...	7,422	1918...	...	36,674
1912...	...	12,010	1919...	...	47,757
1913...	...	27,168	1920...	...	56,052
1914...	...	17,828	1921...	...	36,259

The following table shows the export of slaughtered beeves from Tsingtao:

Year	To Japan	To Manila	To Vladivostok	To Dairen	To France	To Shanghai
1915	99	—	3,575	135		
1916	86	4,731	5,266	383		
1917	662	11,902	8,241	661		21
1918	7,656	19,115	3,156	617		
1919	12,684	18,190	5,329	768	2,164	13
1920	33,268	13,098	4,696	628		6
1921	53,741	3,416	1,347	526		
Total	108,196	70,452	31,610	3,718	2,164	40

Mining Rights in Shantung

(Chapter VIII. in "Mineral Enterprise in China" by William F. Collins)

GERMAN interest in the province of Shantung was first evinced as a result of Li Hung-chang's visit to Germany in 1892.

It was suspected in Berlin that Russia had secured valuable rights in North China, but Li Hung-chang denied this. On receiving sure information, however, that their suspicions were well founded, the Germans, in anticipation of Russian aims, earmarked this province for their sphere of influence.

Baron Richthofen, describing the mineral resources of Shantung in 1887, wrote: "The coal of Shantung is of good quality, black and hard, burning with a clear flame, and making excellent coke. It has great heating power, but the beds lie low, and in consequence the pits are soon flooded, as the natives do not understand how to keep the water down. In the field of Pochanhsien, however, the formation of the land is more mountainous, and it is possible to work the beds with natural drainage.

"The object here is the want of wood for supports. It would not be possible to work the other beds without considerable preliminary expense for pumps, and so forth."

Baron Richthofen was of opinion that Kiaochow could be made the terminus of a main line to Peking. He thought that this port would control the coal supply in northern Chinese waters. He was against the acquisition of large German territory in Shantung, but favored the obtaining of a *point d'appui* for trade, so as to ensure for Germany a share in the industrial development of China.

Early in November 1897 two German missionaries were murdered in Shantung. On the 14th of that month a German squadron took possession of the heights surrounding Kiaochow. Baron von Heyking, the German Minister at Peking, thereupon made five demands, the last of which was that "German engineers should have preference in the building of any railway which China may construct in the province of Shantung, and also in the working of any mine which may exist along the track of such railway." The Chinese refused to discuss these demands until Kiaochow had been evacuated.

In reply the German Minister informed the Yamen that "the uselessness of putting any faith in the promises of the Chinese government having been proved by experience, the evacuation of Kiaochow will not take place until the Chinese government has assented to the German demands." The demands were promptly conceded. A lease of Kiaochow Bay and a section of the hinterland was secured by Germany for ninety-nine years.

The lease was signed on March 6, 1898, a railway convention, being concluded on the same day, whereby the right to construct a triangle of railways in Shantung was secured.

Article IV of the convention reads:—(1)

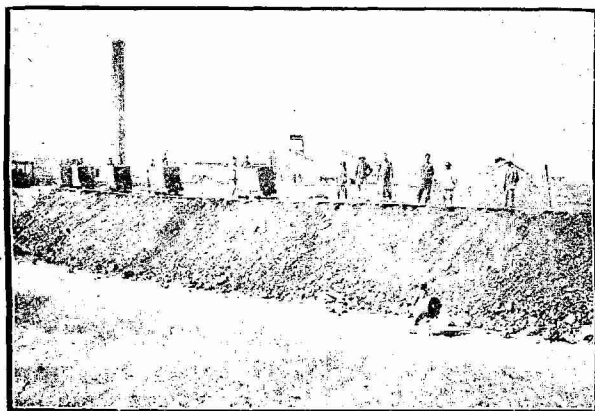
"Within thirty li (ten miles) of the above railways, as, for instance, in Wei Hsien and Po Shan Hsien and in I Chou Fu and Lai Wu Hsien, Germany is permitted to excavate coal, and so forth."

"The necessary works may be undertaken by German and Chinese merchants combining their capital. Mining regulations shall be subsequently drawn up. The German merchants and workmen, as in the case of railways, receive favorable

treatment from China and the same privileges as other companies. This article is also concerned only in the interests of trade and has no other design."

A translation of Section III. of the convention reads:—

"If at any time the Chinese should form schemes for the development of Shantung, for the execution of which it is necessary to obtain foreign capital, the Chinese government, or whatever Chinese may be interested in such schemes, shall, in the first instance, apply to German capitalists. Application shall also be made to German manufacturers for the necessary machinery and materials before the manufacturers of any other Power are approached. Should German capitalists or manufacturers decline to take up the business the Chinese shall then be at liberty to obtain money and materials from sources of other nationality than German."



West Mine, Fangtze, Shantung

In June 1899 the Shantung Eisenbahn Gesellschaft was formed in Berlin, with headquarters at Tsingtao, and a capital of 54,000,000 marks. In fulfilment of the terms of the convention it was arranged that shares should be put on the local Eastern markets. The Chinese, however, having small faith in companies, especially companies under foreign control, did not make ready response to the offer of shares and in fact bought none.

The Syndicate secured the exclusive right, for a period of five years, of searching for minerals within a zone of ten miles along both sides of the line of railway, and of applying for claims in respect of them. As a consideration, the Syndicate was to pay the government a proportion of surplus profits, after having paid five per cent. dividend to the shareholders.

Germany professed that her policy in Shantung was directed toward securing a strong strategic position together with participation in industrial and trade development.

On one occasion Baron von Bulow summarized this policy: "Mention has been made of the partition of China. We do not desire a partition of China, and I do not believe that there is an immediate prospect of such a division, but in any case we have secured in Kiaochow a strategical and political position which assures us a decisive influence in the future of the Far East. From this strong position we can look with complacency on the development of affairs. German

diplomacy will pursue its path in the East and elsewhere calmly, firmly and peacefully."

The German rights in Shantung were formally acknowledged by Great Britain on April 28, 1900: "England formally declares that in establishing herself at Wei-hai-wei she has no intention of injuring or contesting the interests of Germany in the Province of Shantung - or creating difficulties for her in that Province." (1)

This acknowledgment of special rights was made under the distinct understanding that, in the so-called German sphere, the policy of the "open door," and equality of treatment of all nations, would be maintained by Germany. How this pact was kept is demonstrated by Germany's subsequent efforts to secure exclusively for herself numerous special industrial and commercial privileges.

When Mr. Hay, disturbed at the march of events in the Far East, inaugurated the "open door" series of despatches and printed them for the information of an admiring world, he said, *inter alia*, "that the government of the United States would in no wise commit itself to any recognition of exclusive rights of any power within, or control over any portion of the Chinese Empire, under such agreements as have been recently made." This laudable sentiment drew from the Foreign Office at Berlin (February 19, 1900) the following no less interesting declaration:—

"The Imperial government has from the beginning not only asserted, but also practically carried out to the fullest extent in its Chinese possessions, absolute equality of treatment of all nations with regard to trade, navigation and commerce. The Imperial government entertains no thought of departing in the future from this principle, which at once precludes any prejudicial or disadvantageous commercial treatment."

The Mining Regulations contemplated in the Kiaochow Convention of 1898 were drawn up under a special agreement signed at Tsinanfu, the capital of the Province, on March 21, 1900, by the Provincial Governor Yuan Shih-kai, by the Comptroller-General of Shantung Mines and Railways, Ying Shang, subsequently Chinese Minister to Berlin, and by two representatives of the German Bergbau Gesellschaft or Mining Company. The Regulations (1) are contained in twenty-one articles, the most important being No. 17. By this clause it is provided that—

"Within a distance of ten miles on each side of the railway the opening of mines shall be permissible for Germans and Chinese only. In the case of mines already being worked by Chinese they may be permitted to continue working, but in such a way that no danger shall accrue to underground operation by Germans beneath them."

The Chinese were, therefore permitted to "continue working", but the Germans strained this permission to mean "according to the old methods", and insisted that the Chinese mine-owners be excluded from adopting, except with German assistance or by the use of German machinery and under German experts, methods which would enable them to compete against the Germans. Nor was this all. German diplomacy, seeking to profit while the attention of the other Powers was attracted elsewhere, sought to make these conditions ever more stringent, and, while giving assurances to Washington, went on to present further demands to China.

Negotiations were resumed in February 1902. Speaking in the *Reichstag* on March 3, 1902, Baron von Bulow stated:—

"The *Times* has had it telegraphed from Peking that we are endeavoring to secure a monopoly of exclusive rights in Shantung at the expense of other countries. I should not like to lose one moment before twisting the neck of this canard. Germany demands in Shantung as elsewhere only the open door. If in Shantung we have acquired several concrete railway and mining concessions from the Chinese government—this, by the way, took place in the years 1898 and 1899—there is no question of its being done or being contemplated now. There is, therefore, no question of German exclusive rights in Shantung."

On December 15, 1904, Baron Mumm addressed a despatch to the *Wai Wu Pu* complaining that the mining regulations had not yet been complied with. The German Mining Company had consulted with the officials in Shantung, and now required four additional clauses or revised regulations. Baron Mumm considered these demands very reasonable, and he asked the *Wai Wu Pu* to instruct the Shantung officials to give effect to them and not to oppose them.

The four additional demands enclosed were:—

(a) Within ten miles from the railway line, only the Shantung Mining Company shall be allowed to use machinery in opening mines.

(b) Chinese subjects shall be allowed to continue their old methods of working by digging on the same scale as before within ten miles from the line, but the use of machinery shall not be permissible.

(c) Should the Shantung Company decide upon opening mines by new methods within thirty li from the line, they shall give preliminary notice to the Governor of Shantung, who will arrange that within two years of the date of the application all Chinese mines shall be required to suspend operations within an area of fifteen li from the new mines about to be opened, and that no shaft shall be sunk by Chinese subjects within an area of ten li, so long as the new mines are being worked.

(d) Chinese officials shall not have any power of objection to methods employed by the Shantung Mining Company in the use of machinery for mining purposes within the thirty li area.

On January 8, 1904, the *Wai Wu Pu* formally replied to Baron Mumm, criticising the demands in details, saying that they were unreasonable and could not be assented to. But the German claims along the railway were only a portion of those demanded in the Province. At the very time that Count von Bulow was assuring the United States that "Germany has from the beginning carried out to the fullest extent absolute equality of treatment to all nations," a Berlin Syndicate supported by the German Minister, had been negotiating for the concession for the exclusive right to mine diamonds and other precious stones, coal, gold, and other minerals within five zones, added to the reserved zones alongside the railway, practically covering the entire mining area of the province of Shantung. These five zones were:—

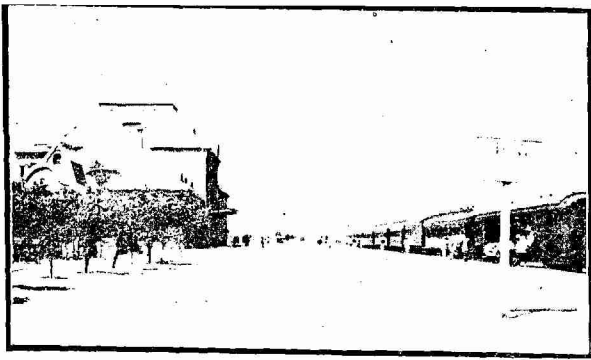
(Continued on Page 87)

1 Hertslet's China Treaties, p. 584

Japanese-Operated Shantung Railway Today

UNDER the Japanese administration the Shantung Railroad has been efficiently operated.

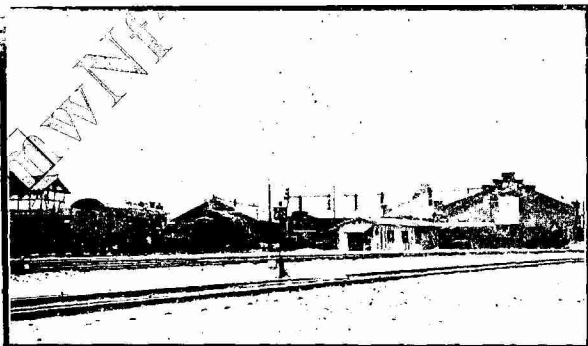
This statement is based upon reports I received direct from Japanese, Chinese, Americans, Britons and Germans in Tsingtao and Shantung province, as well as on personal observations on the road from one end to the other and on its short branch lines. I rode on this road some eight or ten times and never was on a train that was more than ten minutes late. Most of them ran on time to the dot. One German, in particular, declared that the service maintained by the Japanese was considerably inferior to that maintained by the Germans, and he evidently was



Shantung Railway Train at the Tsinanfu Station
Preparing to Start on Its Daily Run to Tsingtao,
a Train That Rarely Is One Minute Late

perfectly sincere in what he said, but almost all of those with whom I talked about the railway service said that the service rendered by the Japanese really left little room for criticism.

From several persons I heard the complaint that governmental red tape, trifling regulations, sometimes were annoying and productive of loss of time for patrons of the road, particularly in the matter of freight, but the criticism in this connection was not offered with great enthusiasm. Apparently most everybody gives the Japanese high rating as regards the service on the railroad. Trains were generally clean, employes courteous and accommodating, and the railway properties in a condition indicative of prosperity. Most of the rolling stock appeared to be well kept up, cars painted, engines shined and everything spick and span. Every time the train stopped at a station I saw trainmen running hither and thither,



Train-yards of the Shantung Railway, Tsingtao

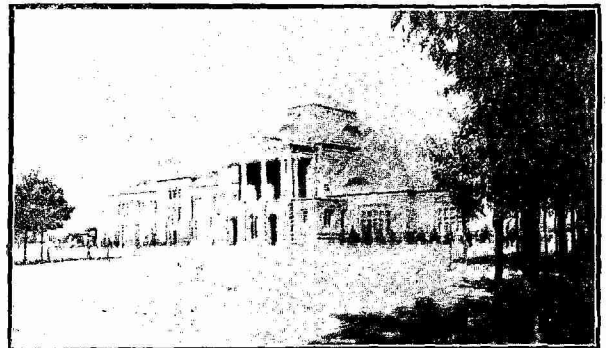
receiving and giving orders with dispatch.

In regard to the attitude of the trainmen, I was told by several persons that their courteous way of

today is in direct contrast with that they showed a year or so ago. Be that as it may, the men with whom I came into contact in June of this year treated me with perfect business courtesy and as far as I was able to see treated all other passengers in the same way. Several times I went from one end of the train to the other, remained for some time in the third-class coaches to observe the conditions there, and saw nothing indicative of trouble between passengers and trainmen.

The railroad guards now are Chinese. I was told that the Japanese soldier guards frequently caused trouble when they were on the trains and at the stations, but there are no Japanese soldiers along the road now. Also I was told that there was more or less trouble between Chinese of the guard and Japanese trainmen at first, but they seemed to work harmoniously together every time I was on the road.

I heard many reports of discrimination in favor of Japanese shippers. Just what is the basis of these reports is difficult to determine. Most Chinese with whom I talked seemed to be thoroughly convinced that there is much such discrimination. Several Americans and Europeans said there was, also. I tried and tried to get facts and figures as undisputable proof in one specific case but without much success. If there is such discrimination, it is worked so cleverly and secretly that there is no getting evidence on specific cases. I talked with Chinese shippers, bankers, writers, and others, all of whom repeated the declaration that Japanese shippers are given advantage of the "breaks" every time. Several of them firmly



The Tsinanfu Station of the Shantung Railway,
in Which a Hotel Is Conducted by the
Railway Administration

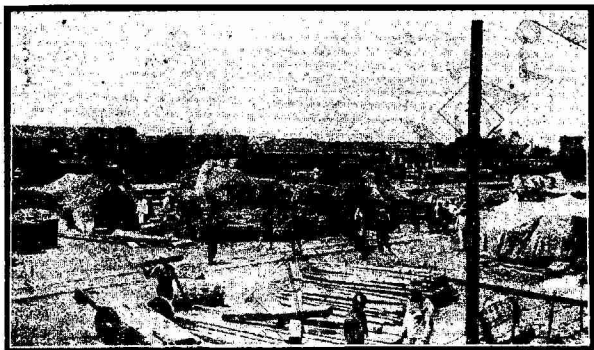
believed that the railroad administration had a system of rebate, which is operated to the discriminatory advantage of Japanese shippers. From the railroad offices I received confirmation of the reports that a system of rebates is in use, but the allegation that it is worked to discriminate against non-Japanese was denied. Coal for export enjoys a rebate, I was told officially.

From a group of Chinese in Tsinanfu I heard a great deal about trouble experienced by Chinese in getting cars for shipping coal. They declared that to ship coal a Chinese must first join a mine operators' guild, an organization run by Japanese. These Chinese one of whom declared he had experienced discriminatory regulations in connection with the guild, vehemently declared that Chinese did not have a fair and equal chance in competing with Japanese shippers. They said that favored forwarding com-

panies were able to get control over the cars when there was a heavy demand.

From other sources I heard much about the operation of guilds to the dissatisfaction of non-Japanese shippers. From government offices I got information which I took to mean that the government gave indirect or unofficial recognition to such guilds, or at least encouraged them, on the theory that if the producers and shippers in any industry were organized they could standardize grades and brands and improve the quality of products they were shipping hence the desirability of encouraging their organization. Whether these organizations are wholly good, wholly bad or a mixture of the two they certainly have caused many Chinese, and some foreigners, to think they were encouraged by the government for the purpose of giving an unfair advantage to Japanese shippers. When I asked a foreigner if he felt the discriminatory effect of a guild he replied by saying that he did not know, but he knew that whereas he was able to ship a certain product in German times he is not able to do so now, that he could not say whether it was a guild or what it was making it impossible for him to get the product to ship.

In written reports, official and unofficial statements one sees clearly that the outstanding idea in the efficient operation of the railroad is to serve Japan. When I had several newspaper articles and reports of various kinds, written by Japanese for Japanese, translated, I read this statement (or words to that effect): the Shantung railway runs from an interior section of China toward Japan; it is a factor in Japan's commerce and, therefore it should be most efficiently operated. Over and over I read statements touching upon Japan's need of articles produced in the territory served by this road.



In the Freight Yards of the Shantung Railway

The construction of this road cost the Germans 52,901,226 marks. The Shantung treaty, following its declaration that China undertakes to reimburse Japan for the railway properties says: "The actual value to be so reimbursed shall consist of the sum of fifty-three million four hundred and six thousand one hundred and forty-one (53,406,141) gold marks (which is the assessed value of such portion of the said properties as was left behind by the Germans), or its equivalent, plus the amount which Japan, during her administration of the railway, has actually expended for permanent improvements on or additions to the said properties, less a suitable allowance for depreciation."

Dr. M. Akiyama, chief civil administrator of the civil administration department of the Tsingtao garrison, is quoted in a press interview as saying, "In

the case of the railway, for example, twice the amount that Japan paid Germany for it has been expended upon it."

Considerable sums have been spent by the Japanese government on buildings, including small barracks at the stations for housing the soldier guards. The Tsinanfu station also has been enlarged and a station opened at Tieh-shan. In German times there were 59 stations but now there are only 56.

The office records now available contain no figures upon which to base comparisons of cost of operation now and in German times, but the volume of business now is far in excess of that before the Japanese assumed control.

In this connection the following tables, compiled from information given out in the railway offices, will be of value:

	1913 (German)	1921 (Japanese)
Rolling mileage	1,588,022	2,588,875
Number of train trips	11,471	34,363
Number of passengers	1,317,438	3,451,165
Tons of freight carried	946,610	1,971,308
Income (in dollars) from		
Passenger traffic	951,849	2,200,361
Income (in dollars) from		
freight traffic	3,123,324	4,627,083
Number of men employed		
in operating trains (unknown)		754
Number of men employed in		
factory (unknown)		1,770

The last two items include both Chinese and Japanese employes. Most of those in an official capacity on trains and at stations are Japanese. Minor employes are Chinese. One European is employed at the Tsinanfu shops.

The following is a tabulation of rolling stocks:	
In German times	In Japanese times
No. locomotives	50 New locomotives
" passenger cars	85 " passenger cars
" freight cars	1,187 " freight cars
Total	1,322 Total New rolling stock
	present No. locomotives
	" " pass. cars
	" " freight " 1,665
	Total present
	Rolling stock
	1,898

Most of the important equipment bought by the Japanese came from America. Much of the old German rolling stock still in use is badly worn.

The general railway organization includes the government mines and the Tsingtao port. The piers were managed by the military until the present civil administrator, Dr. Akiyama, arrived in Tsingtao in 1921. He, maintaining that the piers belonged to the land transportation system, delegated their management to the railway organization. Whether they will be so considered after the transfer of sovereignty is a question of vital importance to Tsingtao, a question considered in connection with the port discussion found elsewhere in this magazine.

The Japanese made many enemies when on taking charge of the railroad, they replaced Chinese employes by Japanese by the wholesale. At first only coolie jobs were left for Chinese but more recently the Chinese staff has been growing in numbers and rising in standing.

(Continued on page 66)

Program for Redemption of the Shantung Railway

By DAVID Z. T. YUI

THE agreement between China and Japan signed at the Washington Conference, relative to the return of the Shantung Railway, provides that "Japan shall transfer to China the Tsingtao-Tsinanfu Railway and its branches. . . . , China on her part undertakes to reimburse to Japan the value of the railway properties. . . ." Further, it was made known in Washington and mandated in Peking, that the railway shall be redeemed by the Chinese people. Therefore, the railway must be redeemed and it must be owned and managed by the people, although the solution of the Shantung Railway problem by the redemption method is not altogether satisfactory.

According to the terms of the agreement, approximately \$30,000,000.00 is required for the redemption of the railway, and the raising of this amount calls for united efforts. Different cities in China have already organized committees to raise money. The spirit of the Chinese people everywhere is admirable.

The Committee on Redemption of the Shantung Railway in Shanghai is an organization of the representatives of the Chinese General Chamber of Commerce, the Chinese Bankers' Association, and the Kiangsu Educational Association. It is independent of all government agencies. Its purpose is to raise money in Shanghai for the redemption of the railway, and at the same time to bring about the promotion of the Tsingtao-Tsinanfu Railway Company. Before large sums of money can be raised, the early promotion of the railway company, which shall sell its shares to the public, is essential. Just how shall the company be effected in order to be most representative of the people has been and is a question engaging the attention of the committee. The following ways are suggested:

(1) The committees in different cities organized by the local chambers of commerce, bankers' associations, educational associations or other recognized public bodies may send delegates to a general conference to be held in a place most convenient to all, out of which a temporary board of directors of the Tsingtao-Tsinanfu Railway Company will be evolved.

(2) Those organizations in different provinces which are created by their respective Provincial Chambers of Commerce, Bankers' Associations, Educational Associations and so forth for the raising of funds to redeem the railway, and which will underwrite \$1,000,000 or more may send representatives to a general conference to organize the Tsingtao-Tsinanfu Railway Company and to elect a temporary board of directors for same.

(3) The Associated Chinese Bankers' Association underwrites 1/3 or 1/2 of the total amount to be raised. The association then will organize the Tsingtao-Tsinanfu Railway Company and direct its affairs

through a temporary board of directors until the total amount is raised.

The functions of the temporary directing body or the company directorate among others shall be:

(1) To negotiate with the government in all matters relating to the handling of the railway for the people.

(2) To decide on the policies and methods of raising money.

(3) To cooperate with and coordinate all other local organizations.

(4) To be responsible for the custody and disposition of funds raised.

The Committee on Redemption of the Shantung Railway is at present working for an early promotion of the Tsingtao-Tsinanfu Railway Company. In the meantime, however, the committee is collecting funds by means of a savings plan through forty-eight local Chinese banks from the common people. The savings plan is, in general, as follows:

(1) Any person desirous of devoting a portion of his or her income for the redemption of the railway may start a special savings account with any local Chinese bank having a special department for this purpose. The minimum amount for opening an account is one dollar.

(2) The depositor has option over the banks with which he or she desires to open the account.

(3) A pass book will be given when an account is opened to a depositor who may deposit his or her money from time to time with the same bank, but no deposits can be withdrawn unless used for the specific purpose of redeeming the railway.

(4) The deposits shall bear interest at the rate of 6 percent per annum.

(5) The banks shall make weekly reports of the names of the depositors and the amount of deposits to the Committee on Redemption of Shantung Railway.

(6) For the sake of uniformity, the pass books shall be decided upon and supplied by the committee.

This savings-scheme has proven so far to be very satisfactory. During the first three weeks, ending June 3, of the savings campaign over \$30,000, have been collected by various banks mainly from small depositors of \$1. This simply shows the enthusiasm of the people in Shanghai in the matter of the Shantung Railway Redemption. As a matter of fact, the purpose of the savings campaign is rather to educate, and heighten the enthusiasm of the people in the redemption of the railway in question. People of large means have not deposited their money as savings for this purpose, but are waiting to buy the shares of the railway company as soon as it is formed. There is every reason to be confident of the success in raising the necessary funds for the redemption of the Shantung Railway.

Ports and Transportation Facilities of Shantung Province

By Paul Page Whitham

A DISCUSSION of the transportation situation in the province of Shantung involves consideration of the relationship to the national port and railway system. Furthermore, reference to the accompanying map is essential to a clear understanding by readers not familiar with the country. The Shantung Railway and the port of Tsingtao (Kiaochow Bay) frequently have been referred to as the controlling factors in Shantung. From the political standpoint the assertion appears well founded, and, under existing conditions, it is in no small measure true commercially. Future developments may modify the situation, consequently a description of the existing port and inland transportation facilities should be accompanied by a discussion of the logical expansion thereof.

Existing Situation

Tsingtao, as is well known, is the chief port of the province for two reasons. First, it is the best natural harbor in Shantung, and, secondly, it has been developed so that it is one of the best equipped ports in all China. In fact the German built wharves and sheds are probably superior to any on the China coast. Supplementary to the second reason the Germans and then the Japanese, who succeeded them, developed aggressive commercial organizations which directed business to the port and utilized the Shantung railway to good effect in that connection. If in the first instance the railway had been built to Lungkow or even Chefoo, and sufficient investments had been made to deepen and equip adequately either of those ports, business might have been that way. Lungkow is a shoal, only partially protected harbor at present, but it would by no means require an excessive expenditure to equip it to handle



Ships Docked at the Government-owned Piers of Tsingtao

all the traffic, or more, now passing through Tsingtao. It is not quite as convenient to the main steamship lines, but well situated for vessels calling at Gulf of Chihli ports. The other possible ports are Chefoo (Yentai) and Wei Hai Wei, the latter British leased territory which it is proposed to return to China.

Chefoo is in the center of considerable trade at present and has been an important port of call since the opening of North China to foreign trade. Recently the port has been greatly improved by the completion of a breakwater. However, Chefoo is too far away from the principal producing areas of the province to be as useful as either Tsingtao or Lungkow. Wei Hai Wei is still further isolated and no attempt has been made to develop it as a commercial port.

Much of the business of northwesterly Shantung passes through the Port of Tientsin, Chili province, and some of the trade of the Southern part gravitates by way of the Tsin-Pu Railway to Pukow and Shanghai.

Railways

Reference to the map will indicate two railways in Shantung. The Tientsin-Pukow line, which crosses the westerly portion of this Province, and the Shantung



Hundreds of Junks Bring Shantung Products to Tsingtao for Export

Railway connecting Tsingtao with the provincial capital, Tsinanfu, about 230 miles. Tsinanfu with an estimated population of 300,000 is the chief commercial and industrial center of Shantung, perhaps sharing that distinction with the port of Tsingtao.

Waterways

The Yellow River carries some traffic in small native boats, but it is too shoal and swift to be of much value commercially. The Grand Canal passing across the western portion of the province is of little value at present, except locally some traffic, particularly in timber is carried on the Sin Ching Ho (Canal) which connects Tsinanfu with the Gulf of Chihli.

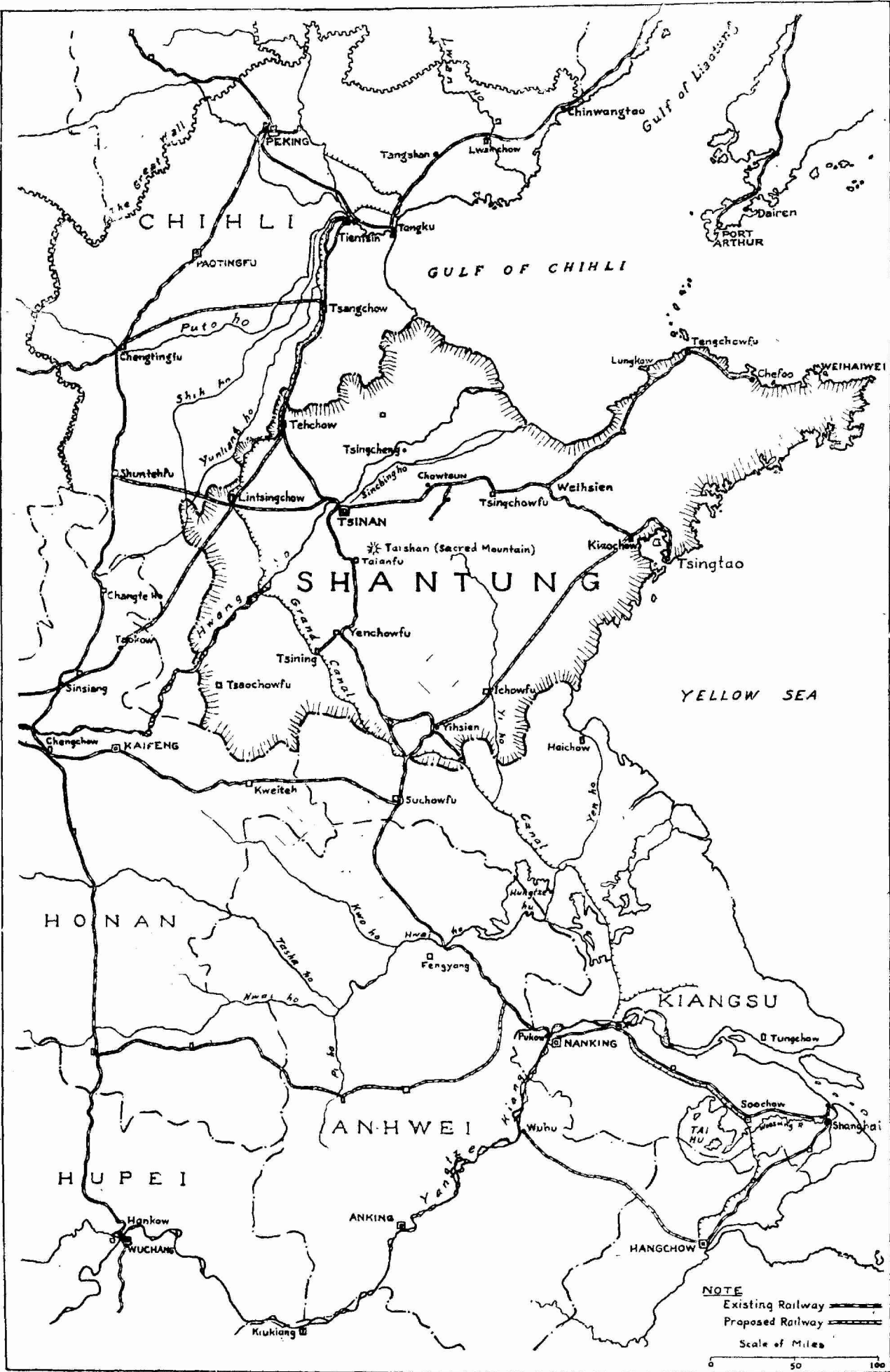
Roads

There are numerous roads in Shantung of the old sort, more or less passable for carts, except in the rainy season. Recently chiefly as a famine relief measure several hundred miles of dirt motor roads have been constructed, notably the Tsinning-Chaochowfu and the Choutsun-Tsingchen roads, completed in July this year. The Chinese have graded a road from Weihsien on the Shantung Railway to the Port of Lungkow, the plan being that it may later be converted into a railway. Last year famine relief funds were used to construct roads on the northwesterly side of the Yellow River, notably from Tehchou to Lintsingchou, also easterly to near the Gulf of Chihli. These constitute a small start in the right direction.

Future Developments

The preceding description gives an idea of existing conditions but the story would be incomplete without adding something relative to the proposals for future extensions and developments. It has been asserted by some that Tsingtao may rival Shanghai as the chief port of China. A careful study of the map, however, does not indicate the likelihood of such a development. If the Kiuchou-Suchowfu Railway should be built and

(Continued on page 32)

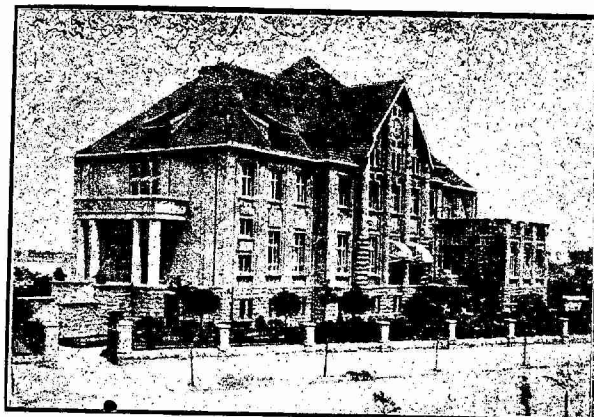


Ports and Transportation Facilities of Shantung Province

(Continued from page 30)

the Shantung line should be extended to Shuntehfu or some other point on the Peking-Hankow line, the importance of Tsingtao would be enhanced thereby. In the control of a foreign power which used its position to stimulate trade artificially in that direction, the port might be built up beyond its normal importance relative to the general trade of China. However, Japan has wisely taken steps to evacuate Shantung and rely upon Chinese goodwill as being the best foundation upon which to build up a lasting trade in Shantung. Consequently the future of Tsingtao appears to be that of an important, probably the chief, local port of the province. Sooner or later the approach to Tientsin must be greatly improved and possibly a deep water port created at Tangkou. Then Tientsin will become the great north port of China especially when railways are extended north and west and the Chengting-Tsangchow cut-off is constructed. Business originating westerly of the Tientsin-Pukow line will then tend to gravitate to Tientsin or through Pukow to Shanghai. When the Weihsien-Lungkow Railway is completed, Lungkow may draw some of the business from Tsingtao. The construction of the proposed Kiachow-Suchowfu line might add somewhat to the business at Tsingtao, but the drawing power of the great industrial and shipping center, Shanghai, and sub-centers on the lower Yangtze would tend to minimize the value of this proposed railway to Tsingtao. Nevertheless, Tsingtao, if properly managed, has an assured prosperous future as an important secondary port of China.

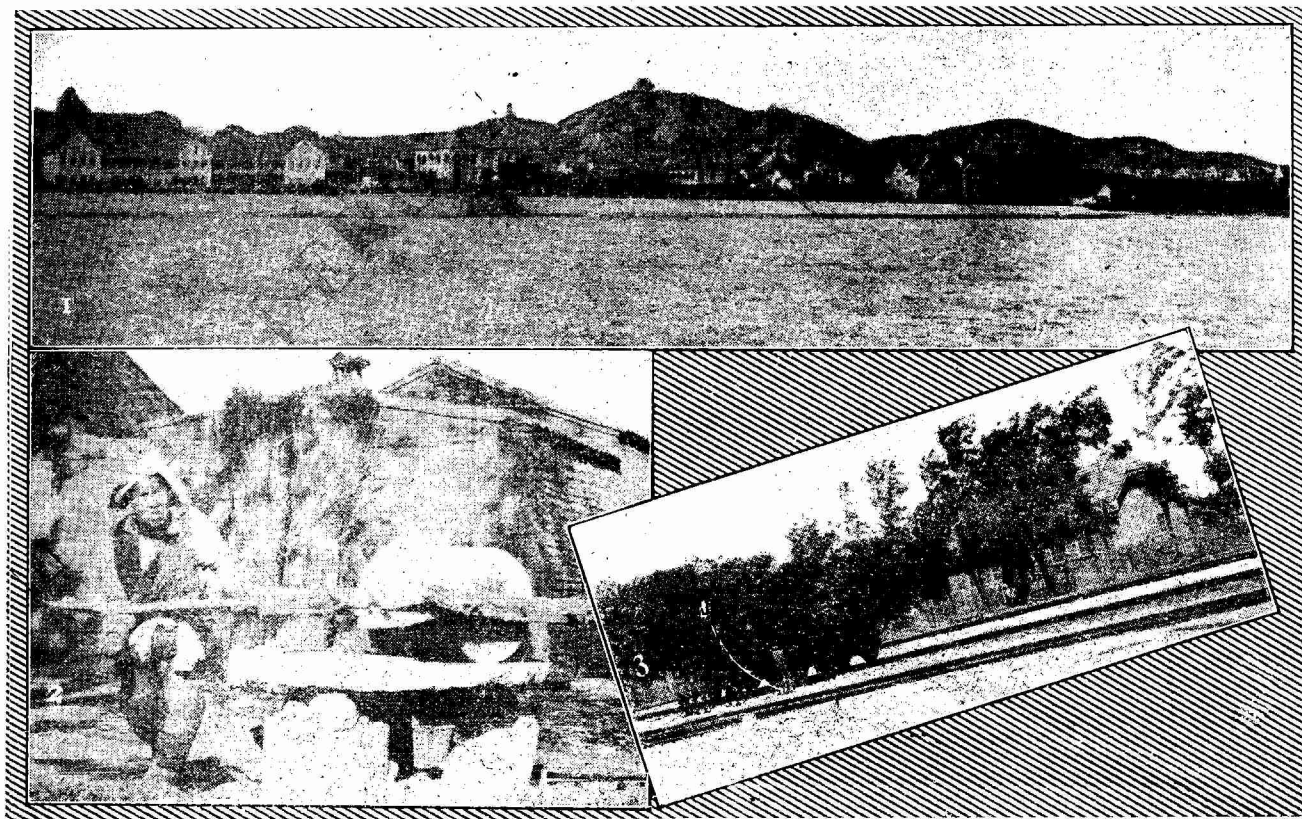
As to how prosperous Tsingtao will become depends much upon whether the Japanese commercial



Customs House in Tsingtao

people remaining after the evacuation of Kiaochow adopt a narrow or broad policy. If they use their position gained by the fact that most of the desirable business property was acquired during occupation in a narrow, short-sighted manner Tsingtao and Japanese commercial interests will not thrive so much as though they should take a broader and more liberal view, encouraging all nationals to come in—make Tsingtao in fact an international entrepôt of trade.

The construction of a railway from Tsinanfu to tap the coal fields of Shansi, Chihli and Honan and the improvement of the Grand Canal and the Sin Ching Ho should add much to the prosperity of Tsinanfu and accelerate its development industrially. The construction of the proposed railways together with branch lines where required, and the development of a system of good roads would bring an era of prosperity to China's famous province far greater than it has experienced in the past.



1. The Residential Section of the Beautiful City of Tsingtao from the Bay. 2. A Chinese of Shantung Grinding Grain for the Family's Food Supply. 3. On the Shantung Railway the Coolies Are Chinese.

The Shantung Straw-braid Industry.

Reprinted from The Weekly Review of September 25, 1920.

UPON the opening of the Treaty Port of Chefoo to foreign trade and residence in 1862 it was found that an important local industry existed in the plaiting of straw and the making of hats for the Chinese. Foreign exporters promptly saw the opportunities for trade with Europe in strawbraid and exports started from Chefoo, the braid going forward in sailing ships. In the early days of the trade local braids were known as Chefoo white, Chefoo-mottled and rustic and pearl-edge. These trade names were later altered as will be subsequently shown.

In the early days of exporting, braid was purchased by weight, the unit being the picul (133-1/3 lbs.), but this method was of necessity abandoned as the makers soon found that by soaking the braid in water they greatly added to its weight although naturally on the long journey to Europe the braid was ruined as a consequence. Purchasing by the bale was then introduced but no definite standard was established, the contents being noted by the number of pieces of special length. Later standard units were adopted and packages now consist of either 240 or 480 pieces of 30, 60 or 120 yards a piece. This standard has been definitely accepted by the Chinese.

Original patterns were all made of "Whole Straw" but later with the growth of the industry Swiss and Italian fancy patterns were copied. With a view to plaiting lighter and more attractive braid the splitting of straw was started and the higher grade patterns are now plaited with split straw.

As a substitute for Italian "Fedal," Laichow mottled braid was introduced and soon found a world wide market.

The industry, under foreign impetus, has grown to such vast proportions that it is the main source of income for a considerable proportion of the population of North Central Shantung Province, and the industry has extended to other provinces, mainly Chihli and Shansi, and in fact, wherever wheat is grown straw-braid is plaited.

Following the establishment of an important straw-braid market at Chefoo exporters at Tientsin and Shanghai became interested and later, after the building of Tsingtao, that city became an important market for braid. With the completion of the Shantung Railway and the more convenient transportation facilities offered the trade was diverted from Chefoo to Tsingtao. Upon the outbreak of the great European war Tsingtao was besieged and eventually captured by the Japanese and of necessity the trade routes were altered again, bringing Chefoo forward as the straw-braid market. This, however, was only temporary as the handicap under which Chefoo labors in not having rail communication with the interior makes it impossible to hold this trade. Should the Chefoo-Weihsien Railway be built there seems little doubt that this port will be able to hold its own as an important market but it is doubtful if it will ever again become the premier market in this article.

The main producing centers of Shantung Province are in the Tsinanfu consular district and to the westward of the Chefoo consular district and the most important centers of Northern Shantung are: Shaho (沙河), Laichow (萊州), Pingtu (平度), Chengi (昌

邑), Shoukuang (壽光), and Yangshin (陽信) from which Chefoo draws its supplies. Of these centers only Laichow, which lies North of Pingtu, is in the Chefoo consular district, being the most northwestwardly hsien in the district. Braid from these districts is collected at Shaho where it is reassorted and packed and transported to Weihsien (濰縣) on the Shantung Railway to be marketed in Tsingtao and Tientsin, at present relatively only small quantities coming to Chefoo.

Practically all the straw-braid of Shantung province is made of wheat straw the only exception being a small amount of rustic braid made from barley straw.

Foreign markets for straw-braid are governed by changing fashions and consequently great uncertainty prevails as to the probable future demand for any particular kind of braid. Generally speaking higher prices are paid in the American market than in London and it usually follows that when the demand in America becomes slack the London market becomes active and *vice versa*. Frequently American buyers cease direct importations from China and make their purchases in the London market. France is a fairly heavy buyer, the trade for the entire country being centered in Paris and the smaller markets of the world are supplied by New York, London and Paris, and before the war Dresden, with China braids.

Although Chefoo's future as the strawbraid market is extremely uncertain, depending entirely upon the construction of the Chefoo-Weihsien Railway, it is worthy the serious attention of American importers. It will be noted from the above list that there are no American exporters although America imports by far the greatest quantity of China braids and as the exports are extremely large American importers should find it to their advantage to establish their own branches for the purchase of strawbraids in the most convenient center rather than continuing to pay the high profits of intermediaries in addition to the regular buying commissions. As the exports from China are valued at approximately \$3,000,000, per annum and as America purchases most of this the opportunities for establishing American export houses for this and other staple articles required in America should prove most attractive.

The part of this article that follows is written to bring the foregoing up to date.

Investigation in Tsingtao revealed the fact that persistent efforts will be made to recover this business for Tsingtao. It is commonly stated that the aversion of the Chinese to dealing with the Japanese principally accounts for the loss of this business from Tsingtao. Chefoo profited to the greatest extent but part of the shipments were diverted to Tientsin and Shanghai by rail. It is generally thought that the Germans will re-establish themselves in the strawbraid business more thoroughly than in any other line. This means they will bring the trade again to Tsingtao, provided the Shantung settlement is of a character that will, in their judgment, justify their efforts to rebuild the commercial organizations. This means if the settlement affords equal opportunities Tsingtao in all probability will be the center of a thriving straw braid business in the hands of Germans, but if Japanese traders are given extensive advantage efforts to rebuild the business will not be made by the Germans.

Tobacco Growing in Shantung

ABOUT seven years ago it was decided to experiment with the cultivation of tobacco in Shantung, with a view to producing in China a tobacco crop which would be so uniform in quality, and of so high a grade, that it could be used for the manufacture of high grade cigarettes. As the result of the experiments then conducted, and of the mobilization of a large capital, together with a continuing supervision by trained experts, an entirely new branch of agriculture has been firmly established in the province, and the wealth of Shantung has been materially and permanently increased.

Tobacco has been grown in the province for many years, but it was of low and uncertain grade and proved quite useless for manipulation in modern industries. In 1914 the soil was carefully examined and it was found that both soil and climate were suitable for the growth of Virginia leaf, such as forms so valuable a product in the United States of America. The British-American Tobacco Company accordingly decided to experiment in the cultivation of the Virginia plant. They are unable to own land in the interior, and it was therefore necessary to interest the farmers in their project and to try and induce them to cooperate over a sufficiently large area to create a local tobacco market. The company imported a large quantity of healthy, tested American seed, and they distributed it free to the farmers, who agreed to plant it with the understanding that the company would purchase from them at a fair price the entire crop for the first year. The company promised, and the farmers agreed to abide by a certain amount of supervision in the growing and drying of the leaf. This supervision was absolutely essential. Similar experiments in other provinces, but in regard to crops other

than tobacco, have proved that the indiscriminate introduction of foreign seed can prove disastrous to the interests both of the Chinese farmer and of the industrialist. New diseases are easily introduced. The scientific treatment of the produce after harvesting is a most important factor. Crops lacking in uniformity command no market.

The farmers agreed to the company's proposition. The soil was properly fertilized and the seed was planted over a large area of country, which was kept free from the old tobacco stock and indeed free from all other crops. As soon as the plants appeared above ground the farmers were assisted by a large number of expert tobacco growers in detecting and removing all unhealthy or unsuitable plants. At the time of the tobacco harvest the leaf had to be dried, and that process is one requiring exact and careful management. The company loaned to the farmers sufficient money to put up ovens and drying rooms on the most scientific principles, and during the process of drying the experts constantly assisted them in inspecting the progress of the leaf. It is interesting to know that the increased prosperity of the farmers enabled them very quickly to pay off all the loans which had been made on this account.

As soon as the tobacco is dried the company announce that they are ready to buy, and prices for three grades of tobacco are published at the receiving warehouse. These prices are based on world prices for tobacco and show the farmers a much better profit than they would receive from their native tobacco, or from any crop grown under the usual conditions. A real tobacco market has been created, and within a few years a sufficient crop has become available not

(Continued on page 98)



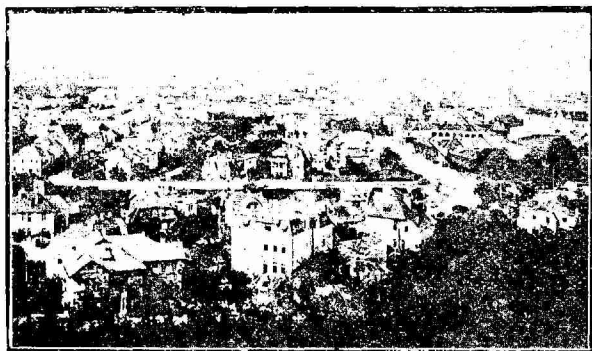
TOBACCO FIELD IN SHANTUNG PROVINCE

The small building at the back of the picture is a tobacco barn erected by the farmer for use in curing his tobacco. This is a field of tobacco grown by a Chinese on his own ground with the use of foreign seed and under the advice of an American farmer.

A Visit to Tsingtao

By H. G. W. Woodhead, Editor, Peking and Tientsin Times

TWO ports in North China which are especially popular as health resorts, and which for nearly twenty-five years have been leased to, or occupied by, foreign Powers, are about to be restored to China—Tsingtao and Weihaiwei. Tsingtao, or rather “both sides of the entrance to the Bay of Kiaochao” it will be remembered, was leased to Germany “provisionally for ninety-nine years,” in March 1898, and remained in German occupation until the outbreak of the Great War, when it was besieged and captured by the Japanese, with the co-operation of small British Naval and Military forces. The Japanese, while ostensibly claiming only the rights actually exercised by the Germans, and professing their intention of returning the leased territory to China, actually put forward much more far-reaching claims. They occupied and garrisoned the Shantung Railway, erected a wireless installation and stationed a garrison at Tsinanfu, the capital of Shantung, and for the first few years of their occupation acted as if they had come to stay, and as if the promised restoration to China had been postponed indefinitely—probably to the expiration of the original ninety-nine years lease. Starting with the notorious Twenty-one Demands in 1915, they attempted to consolidate their position at Tsingtao, and the claims they put forward at the Versailles Conference were the cause of China’s refusal to sign or to ratify the Peace Treaty. The Shantung Question—which embraces the future of Tsingtao, of the Shantung Railway, and of the mining and other rights claimed by Japan—has embittered Sino-Japanese relations,



A Bird's-eye View of the Residential Section of the Beautiful City of Tsingtao

ever since 1915, resulting in constant friction between the two peoples, and in serious damage to Japanese trade in various parts of the country where the retaliatory boycott was made effective. What the boycott has actually meant may perhaps be realized when it is mentioned that whereas in 1913, 87,288 piculs of strawbraid were exported from Tsingtao, and only 7,624 from Tientsin, even in 1921, when the port had had seven years, in which to recover from the effects of the siege, Tsingtao exported only 19,047 piculs, against the 34,031 piculs exported from Tientsin. Tsingtao had achieved almost a monopoly of the strawbraid trade during the four years previous to the war. As the latest *Customs Report* puts it “the temporary cessation of business during the years 1914-15 resulted in the transfer of the export of strawbraid to Tientsin, and though efforts are being made for the revival of this trade, it will be long before its former position is regained.” That,

does not, of course, mean that trade has been at a standstill under Japanese occupation, though it was not until last year that it attained figures exceeding the German record of 1913.

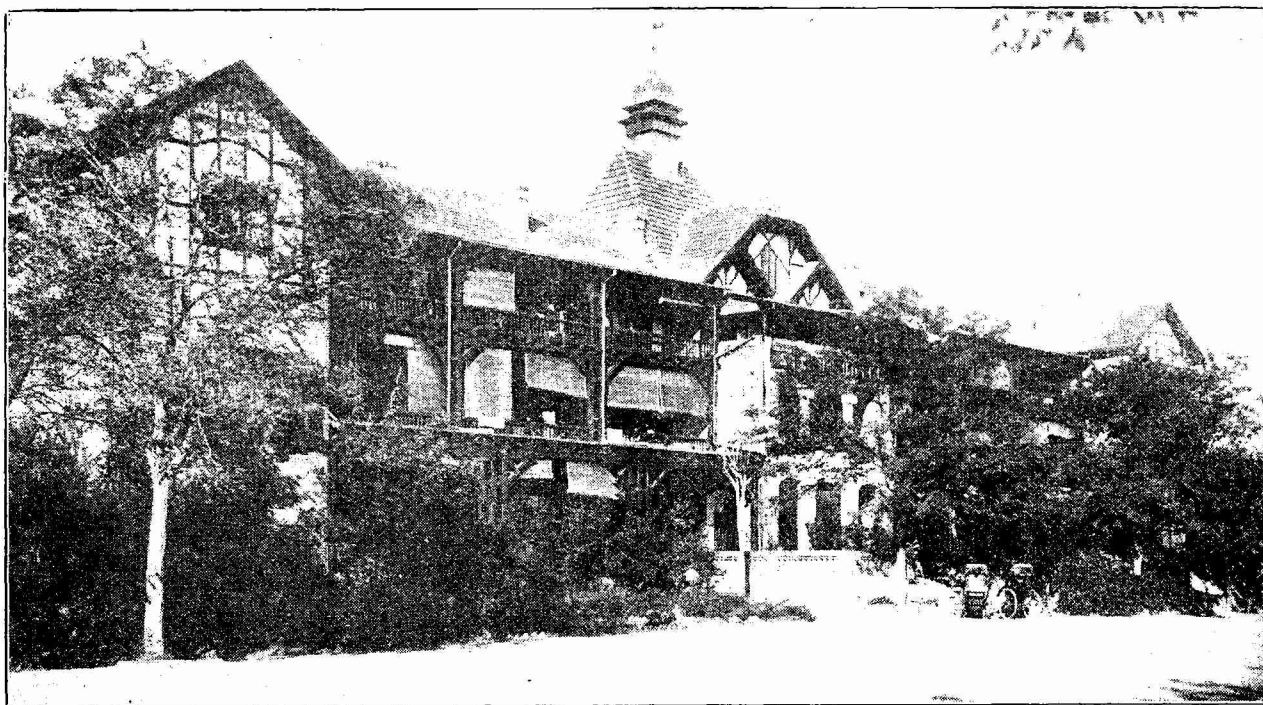
The restoration of the former German leased territory, and of the properties which Japan has seized since 1914, is to be effected in accordance with the terms of Treaty between the Japanese and Chinese



Where the Shells Hit That Conquered Tsingtao

governments which was reached at Washington on February 4, of this year, and the actual carrying out of which is now the subject of negotiations between Chinese and Japanese Commissioners at Peking. This Treaty came into force on June 2, and the restoration of the leased territory is to be effected within six months from that date. The period within which the transfer of the Shantung Railway is to be effected is nine months from the coming into force of the treaty. Judging from the progress made in the negotiations up to date, the time limits imposed in each case will prove to be none too generous. Nor is it easy to see how China will be able to furnish satisfactory guarantees of her ability to foot the bill for the public properties “purchased or constructed by the Japanese authorities, and also for the improvements on or additions to those formerly possessed by the German authorities.”

Tsingtao differs from such health resorts as Peitaiho and Shanhaikuan by reason of the fact that it is a large town, of modern construction, with extensive wharf-accommodation, a rapidly expanding factory district, and a network of macadamized roads extending a considerable distance into the interior. The census of June 1920 showed it to contain a population of upwards of 100,000 of whom nearly 86,500 were Chinese and 20,700 were Japanese. The town is the most prepossessing in the Far East. The foreign residential area, with its two bathing beaches, faces South, and is sheltered by thickly wooded hills. When the Germans took possession, they made a clean sweep of all Chinese in this locality, and established Chinese settlements on the outskirts of the town. Under the Japanese occupation the small business section of former years in the vicinity of Tsingtao station has been extended, northwards, partly by land reclamation, right round the harbor. It is stated that the total length of roads within municipal limits has been more than doubled, and that the area covered by buildings has been more than trebled, and an extensive program of new road construction in the factory district is now on the verge of completion. There is no other



The Strand Hotel, Center of Summer Social Activities in Tsingtao

city or settlement in China which can boast of such roads as those of Tsingtao. Wide, macadamized with granite, and often asphalted, and with inlaid stone tracks for the use of native carts and wheelbarrows, they are the joy of every visitor who can afford to hire or import a motor-car. The Japanese have not maintained the fortifications and the visitor is, therefore free to wander at will over hill and plain, one of the favorite motor-rides being a trip to Laoshan, about twenty-one miles distant. The motorist who imports his own car, however, has to accustom himself to the continental rule of the road, which has been retained since the German occupation, though in Japan the English rule is observed. No shooting of birds or animals or destruction of trees, is permitted, and the work of afforestation started by the Germans has been intensively carried on by the Japanese, with the result that one can drive or walk for miles through shady lanes. In contrast with the bare hillsides to which one becomes accustomed in many parts of China, every hill in the leased territory is thickly wooded, from base to summit. On the country roads most of the streams are crossed by means of brick paved tords. But during my stay there a party which attempted a moonlight excursion to Laoshan after a heavy thunderstorm had a dangerous experience. The streams within an hour or two had become raging torrents. Two cars were carried off a brick-paved ford and deposited some distance down-stream, one being overturned. And the party had to seek refuge in an outlying Japanese police station in the early hours of the morning, and instead of returning shortly after midnight, did not reappear until about 7 a.m.

The hotel accommodation at Tsingtao, though constantly being expanded by annexes to the two large foreign hotels—the Strand and the Grand—which are run under common management, is still inadequate to meet the demand. Tsingtao has been described as the "Brighton of the East" and it merits the title. For it certainly seems as if the majority of the visitors who go there during the summer are in search, not of a rest-cure, but of a really hectic holiday. Most of the foreign community—permanent and visiting—forega-

ther on the large verandah of the Strand Hotel for an hour or two before dinner to dance or drink cocktails to the strains of the jazz orchestra of the Grand Hotel des Wagons Lits, Peking, which makes this its summer headquarters. It also plays after dinner, and on two nights a week there are regular dances. Occasional dances are also given in the large ball-room attached to the Grand Hotel, and there is a Casino which is well patronized when the hotel orchestra is not available. With motoring, jazzing, bridge and bathing, the folks from Shanghai, Hankow and Hongkong who make Tsingtao their summer headquarters contrive to put in as long a day—and as short a night—as the gayest communities in the East. Each incoming steamer from the South brings in a fresh contingent of holiday-seekers, though it is possible that the influx will be to some extent stayed by the revolting quarantine regulations now enforced at Tsingtao and Dairen by the Japanese port authorities.

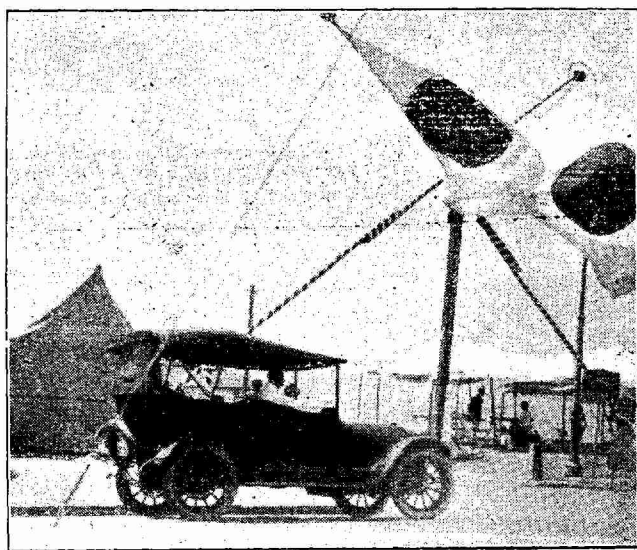
During and immediately after the Great War there were constant complaints regarding the Japanese administration at Tsingtao. Britons and Americans had told me that the attitude of the Japanese military was so arrogant that they risked humiliation every time they walked through the streets. There were numerous charges of discrimination against non-Japanese in connection with the purchase and transfer of property, wharf accommodation, and railway facilities. There was constant interference with the rights and liberties of subjects of the Treaty Powers and of Chinese citizens. Although I cannot claim to have made a thorough investigation of the local situation during my recent visit to the port—which was intended to be a holiday—I met, and discussed it with a number of Britons and Americans, and in no single instance did I hear a serious plaint against the present Japanese administration. On all sides I heard nothing but praise for the present Governor General Yui, whom I had the pleasure of meeting during my stay. If there have, of late, been any instances of discrimination against British and American firms in the matter of wharf and railway accommodation, none was brought to my notice. The system of leasing land appears to

be capable of some abuse though I understand that non-Japanese can usually secure what they want by the exercise of a little patience, and knowledge of the right channels through which to apply. I was also told that the manner in which tenders were called for by various government departments left something to be desired, as they were frequently given little publicity. Firms located or represented in Tsingtao, however, soon learn to which offices to apply for the necessary information. The question of the contract for the supply of six Japanese locomotives to the Shantung Railway was being discussed during my visit, but the transaction had not caused much excitement. It was not pretended that public tenders were called for these locomotives, but it could not seriously be argued that the Japanese were under any legal obligation to adopt this course. The real question seemed to be whether the contract in question violated the understanding in the Minutes of the Washington conversations that "the said Japanese authorities will not make any new contracts or commitments calculated to be harmful to the interests of the Railway." Though I had not an opportunity of taking up the question with the Japanese authorities concerned, I understood their contentions to be: (a) That the contract was awarded in April or May last, i.e. prior to the "coming into force of the present Treaty," the ratifications of which were exchanged on June 2; (b) that while many of the requirements of the railway were put up to public tender there was no absolute obligation that this course should be adopted; (c) that Japanese engineering concerns are not yet able to manufacture locomotives at prices which compete with those of British and American manufacturers, but it was desired that with the transfer of the railway to China some locomotives of Japanese manufacture should be placed in service so that their efficiency could be proved by actual test. I was also told, though for this I cannot vouch, that the Chinese had informally agreed to the purchase of these locomotives from Japan. The contract may be open to criticism—by the Chinese who are the parties really interested. But American manufacturers, who have already supplied 43 engines to this railway, in addition to upwards of two hundred to the South Manchuria Railway, where the Japanese are under no obligation whatever, to call for tenders, hardly appear to have a substantial grievance. Of the 99 locomotives at present in service on the Shantung Railway, 43 are of American and the remainder of German manufacture.

On all sides I found evidence of considerable apprehension as to the future of Tsingtao now that the date of its rendition to China is approaching. Tsingtao is essentially a foreign city. It has been intensively developed—one might without exaggeration say that it has been over-developed—under the Japanese administration. A road-building contract, involving the construction of over seven miles of new roads of a width of 48 to 72 feet, with drains for rain-water and sewage, water mains, and reinforced concrete manholes, necessitating the blasting of deep trenches through solid granite, surfaced with crushed granite and with paved tracks for Chinese carts and wheel barrows, was approaching completion under Major Garibaldi's supervision during my visit. Buildings were springing up on each side of these roads like mushrooms as each section was completed, in spite of the fact that hardly a chimney-stack is smoking in the large factory district which has come into existence during the Japanese occupation. The expenditure upon Tsingtao last year was over twenty million yen, of which only Yen 13,625,033 was raised by revenues, which I understood to include a whole or part of the profits of

the railways and mines operated by the Japanese. Residents in Tsingtao are not unnaturally wondering whether China will be able to maintain the magnificent public works undertaken by the Germans and the Japanese, especially as it is proposed to transfer the wharves (the revenues of which amounted in 1921 to Yen 835,371) to the railway, and utilise them as part security for the Chinese treasury notes issued for the repurchase of the line. Under the German and the Japanese administration, moreover, twenty percent, of the net import duties collected at Tsingtao was ear-marked as a "contribution to the expenses of the territory." This percentage, in 1921 amounted to Haikuan Taels 242,196, or Yen 422,843. China gave no assurance at Washington that this grant would be continued, nor would she give any definite undertaking as to the form of government that Tsingtao was to have after its return. All that she promised was that "in the management and maintenance of public works to be so transferred to the Chinese Republic, the foreign community in the former German Leased Territory of Kiaochow shall have fair representation."

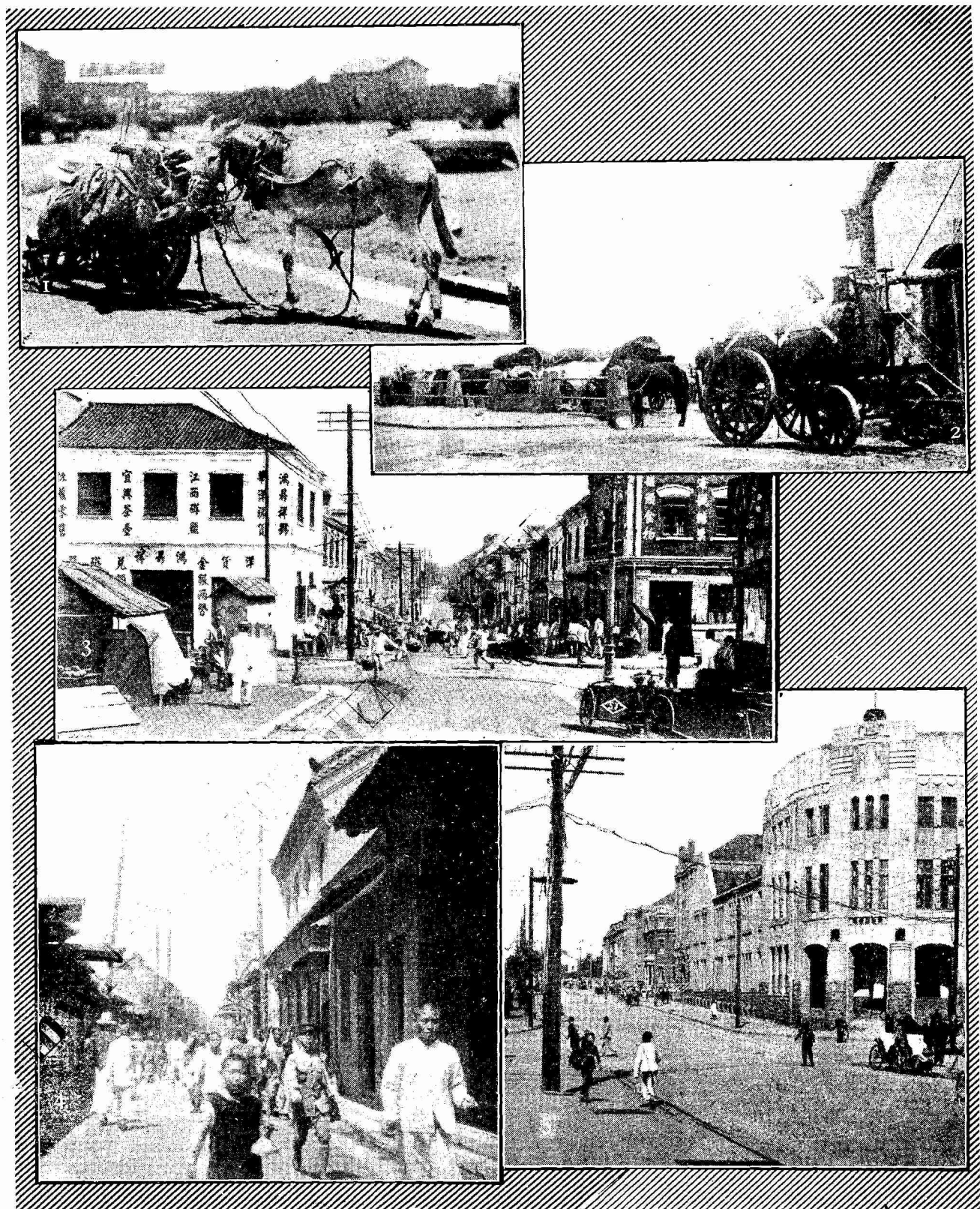
The actual taxation in force in Tsingtao is extremely low, and could unquestionably be increased without inflicting serious hardship. But if the percentage of the Import Duty and the receipts of the wharves are no longer available, there will be a very serious loss of revenue, amounting to over one and a quarter million Yen from these sources alone. Receipts from government lands—which will now revert to China—which amounted in 1921 to Yen 330,106 are unlikely to be substantially augmented for several years, owing to the fact that most of this land has been leased at a fixed rental for a ten year term. Add to this the considerable sums which China will have to pay for additions and improvements to public properties (Yen 20,250,857 according to the Japanese estimate) for the repurchase of the railway (53,406,141 gold Marks and Yen 289,189,212 according to the Japanese



Japanese Flags Flying at the Entrance of the Municipal Pier of Tsingtao on the Occasion of the Visit There of a Part of the Japanese Fleet

figures) and the as yet unknown amounts required for the purchase of Japanese-owned salt-fields, the Tsinan wireless installation, and possible commitments in connection with the Shantung mines, and it becomes difficult to see where and how China can raise the money to maintain Tsingtao in its present condition.

(Continued on page 62)



1. A Part of the Feeder Service of the Tsingtao Port. 2. The Tsingtao Street-cleaning Force at Lunch. 3. In the Chinese Business Section of Tsingtao. 4. Japanese Postman Delivering Letters in the Chinese Section of Tsinanfu. 5. In the Modern Commercial Section of Tsingtao.

The Tsingtao Land Lease War Baby

THE Japanese will never be able to convince Chinese and foreign nationals that discriminatory advantage was not given to Japanese in the leasing of government lands in Tsingtao. Official statement after official statement has been issued to try to prove to the public that all persons, irrespective of nationality, were given equal opportunity in getting possession of the properties which until 1914 belonged to the German government and after that date have been held by the Japanese. But all these statements have done little indeed toward accomplishing their purpose. To use the language of one American whose views I felt out in this connection, "Few were deceived by all these explanations."

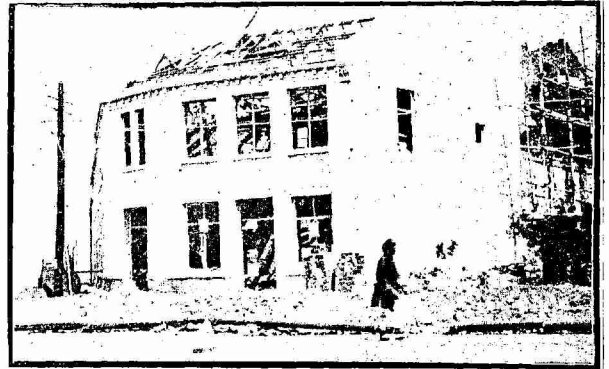
This article is based upon information gathered during a three weeks' inquiry in Tsingtao. I think that I talked with a leaseholder of about every nationality there and I talked with some who really wanted but persistently refused to take leases, as well as government officials who issued them. The statements I heard were as thoroughly conflicting as they could be. In government offices I was assured that a policy of strict fairness was followed. In fact a government official declared in certain instances his office had stood so straight it had leaned back the wrong way, that in cases Japanese had been granted leases in numbers less than their proportionate share, if the number of leases were based on the number of applications made by the different nationals.

This official whom I am quoting is T. Uchi, financial secretary in the civil administration, the head of the office whose duty it is to grant leases. He displayed a feeling of keen sensitiveness touched by repeated newspaper criticisms directed against the Japanese in connection with the leasing of government lands. The papers making such attacks, he declared, were ignorant of the facts and misguided by unfriendly propaganda. To prove his point in this connection he produced a map and gave me an illustrated lecture on the policy of the Japanese government. The case he referred to had to do with a group of lots in the port area in Tsingtao. The land in question, he said, had been reclaimed by the government at a cost of Yen 500,000. At first eighteen and later nineteen blocks were included. When it was learned that these lots, which are most desirable for godowns, were to be leased, applications poured in. These applications he classified as follows: Japanese, 329; Chinese, 317; Occidentals, 3. At first his office decided that the leases would be granted in the following ratio: Japanese, 8; Chinese, 8, and Occidentals, 2. However it was learned later that another American firm wanted a lease, another block was included in the area to be leased. Then the leases were granted in this ratio: Japanese, 9; Chinese, 7, and Occidentals, 3.

He asked that I clearly explain that the reason so few leases were granted to Occidentals was because so few applications came in from Occidentals.

From this office I went to the office of one of the Occidentals who entertained the exact opposite view as to rigorous fairness in the issuing of leases. Here is the story I heard from him: The conditions under which leases were granted were such that Americans and Europeans were frightened away, fearing to take them under such terms. He declared

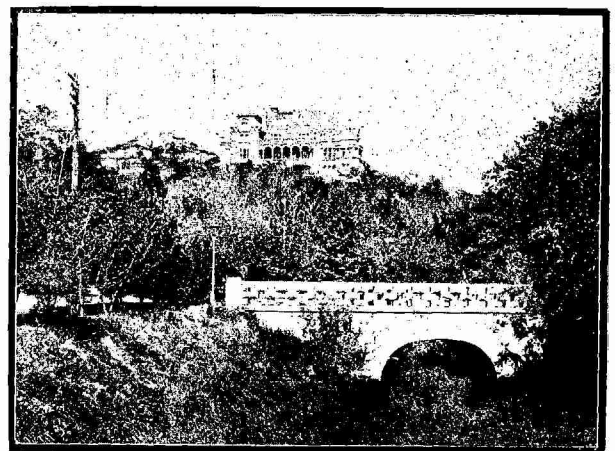
that all the reports that could be printed would not make him believe that there was not some sort of an understanding between the Japanese government and the Japanese investors, assuring the latter that if they took leases they would suffer nothing from the very terms of the lease which had caused others to shy at them. This man, and others with whom I talked, confidently believed that there was "a secret



House in the Process Of Construction in Tsingtao. (This photograph, made a few days prior to the opening of the Shantung conference in Peking, illustrates the fact that Japanese investments were not halted pending final settlement of the Shantung question. Many houses such as this are in process of construction now.)

understanding" with the Japanese.

He declared he could not see the reasonableness of a lease, for such a short term as ten years, which gave no assurance to the lessee, that it would be renewed and particularly that specifically gave the lessor right to terminate the lease at any time. He did not think Occidentals would or could accept a lease that ran for only a short time and gave no assurance as to renewal nor guarantee of tenure even to the full term of the lease period. Further he declared



Governor's Home in Tsingtao

that Japanese would not accept such a lease either, "without some sort of an understanding."

The following is a translation of the regulations governing the lease of the government lands:

Public Land Lease Regulation

"1. Applications for the lease of public land, unless specified by other rules, shall be executed in the manner described by these regulations.

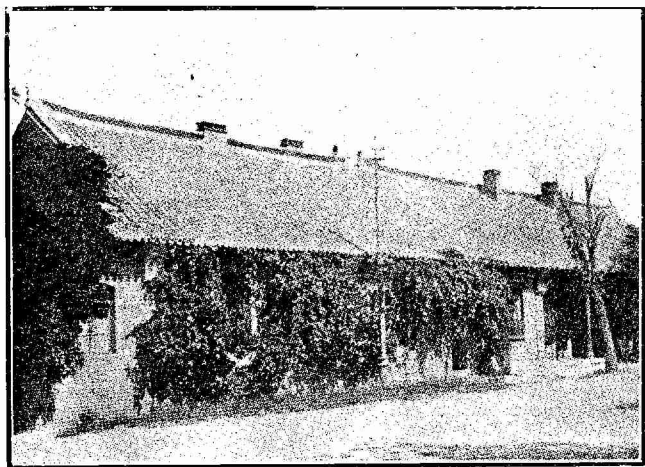
"2. Applicants for public lands should be either residents or ones who have an agent resident within the territory under the jurisdiction of the Civil Office.

"3. Applicants for public lands shall file a petition with the Civil Magistrate. In the petition should include the following:

"(a) Address, occupation, date, month and year of birth of petitioner.

"(b). No. of the lot required, with a map of the locality.

"(c). Area required, purpose for acquiring the land, term of lease.



The Old Chinese Government House in Tsingtao

"(d). If the application is for building purpose, it should include a statement regarding the style of building to be built upon it, the area of the building, the amount of money to be spent on the building, and time required for the completion of the building.

"(e). If the application is for other than building a statement should be made regarding the applicant's purpose of acquiring the land, amount of money to be spent upon the land.

"(f). If the applicant has already leased land from the government, a statement should be included in his petition giving the lot No. of the land he acquired and the area of it.

"4. Lease holder should petition to the Civil Magistrate, within three months after his lease has been granted, for a constructing permit. If the land leased is for other than building purposes he should commence work on the land within two months after

the granting of his lease and to report to the Civil Office of the date of starting the work.

"After a constructing permit has been granted, the lease-holder should commence construction within two months (from the date of issuing the permit) and to report to the Civil Office the date of commencing the construction, but in case of unsuitable season or other special reasons that prevent the lease-holder from applying for a constructing permit and the carrying out of his plans upon the land, he shall file a petition with the Civil Magistrate asking for an extension of the time. Such extension shall not exceed eight months.

"4a. A sum equivalent to three times the yearly rent of the leased land shall be paid by the lease-holder to the Civil Office within seven days after a lease is granted, as a deposit.

This deposit shall be refunded after the building has been completed and found up to the legal requirements.

"5. The lease-holder shall not sublet the land or transfer his lease without the consent of the civil magistrate, but when a transfer is granted by the magistrate, it is to be understood that the transferee shall retain the original condition of the building upon the land as at the time the transfer came into effect.

"6. In case the lease-holder intends to change his original plan regarding the use of his land or change the plan of his building, he should apply for a permit from the civil magistrate before carrying it out. A plan showing the intended changes should accompany his application.

"7. The lease-holder shall apply for a permit from the civil magistrate in case the lease-holder desires to change the physical appearance of the land, such as excavating, filling or other work that will interfere with underground public structures and telegraph poles. The application should be accompanied by a plan showing the intended changes.

"8. A tax shall be levied on land from the day the lease commences to the day it ends and the land returns to the government.

"9. Land tax shall be collected either quarterly or half-yearly; the time for quarterly collection will be January, April, July and October; half-yearly, January and July. Tax shall be paid in advance within ten days before the expiration of the last term.

"Tax on newly leased land for that immediate term shall be paid at once upon entering the lease.

(Continued on page 94)



Left: In the Edge of the Business District of Tsingtao; Right: Building Occupied by the Shantung Railway Administration, a Building Which in German Times Housed a School.

CHIENMEN

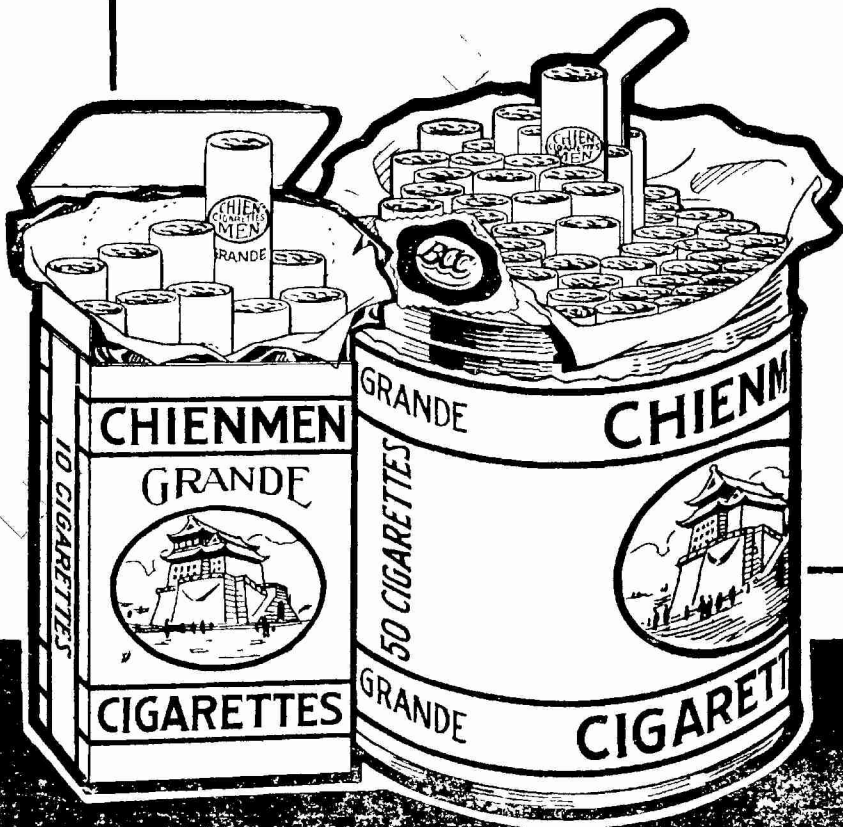
GRANDE

CIGARETTES

The first real
high grade Cigarette
manufactured in
China.

▲此係
最先在
中國製
造之真
正上等
香烟

大前門牌香烟



The Salt of Shantung Province

TROUBLE over the question of salt in Shantung Province is nothing new. Back in 1919 a chapter of Shantung history, entitled the Salt Insurrection, was written. Then the trouble arose over attempts to break down an old custom which had for years and years rendered the Shantung salt free of tax. Raids were made on Salt Gabelle offices and several deaths resulted. It was a people's fight against the Gabelle's attempt to impose a tax.

Just how Shantung salt came to be tax free is not known. One story is that such exemption was a monument to Confucius, a special privilege to his native province of Shantung. Another story is that some two hundred years ago a Shantung general who had rendered especially meritorious service asked that as a reward for his services the people of his province forever be allowed to eat free salt. At any rate the exemption long had existed and when the Salt Gabelle began working to put into effect in this province the same regulations as existed in other provinces a bitter feeling among the people was caused and the uprising resulted. In the Kiaochow Leased Territory the question of tax was handled by the German government there and tax was levied.

Now the salt question is up for consideration and difficult problems are involved. The Japanese, who made special efforts to develop the salt fields when the sovereignty of the Kiaochow territory was transferred from Germany to Japan, have properties which they do not wish to surrender and the Chinese are bent on recovery of these fields as provided for in the Washington Conference agreement.

This discussion is based upon information gathered from numerous sources in Shantung province, partially upon Japanese comments, but more especially upon a report prepared by D. S. Chen, chief of the manufacturing course of the Fishing Products School at Woosung, who considered the matter sufficiently important to justify him in going to Shantung to spend a large part of his summer vacation gathering first-hand information upon which to write a report, which he issued for distribution in Chinese. Much of this article is virtually a translation of his report. Most of the tables were compiled by him.

The following explanation of classification of Shantung salt is from Mr. Chen's report: "It is classified as original salt, remanufactured salt, ground salt, washed salt, washed ground salt, and ground washed salt. Chinese are interested in the original salt, which is produced in the fields. The other classifications are of the original salt in specially constructed factories and no Chinese take part in them."

The classifications are sufficiently self explanatory to render it unnecessary for a detailed discussion of each. The crude or original salt is made by the evaporation process in the fields, sea water being used as the supply of raw material. Chinese being the first very naturally have taken up the most desirable locations for fields, a fact which will help to explain why it has

cost the Japanese so much more to construct fields than it did the Chinese.

In giving the following summary of conditions as to salt field holdings we again are quoting from Mr. Chen's report:

"Chinese owned, 1071 fu (A fu is 409 acres.)

"Japanese Owned, 1414 Fus.

"Capital invested, about \$3,300,000.

"Salt Manufacturing Factories: Capital invested, about \$1,700,000.

"Re-manufacturing factories, 16; Annual output, 2,000,000,000; refinery factories, 12; annual output 5,000,000,000 catties

"(Most of these factories produced re-manufactured and refined salts in the same factory.)

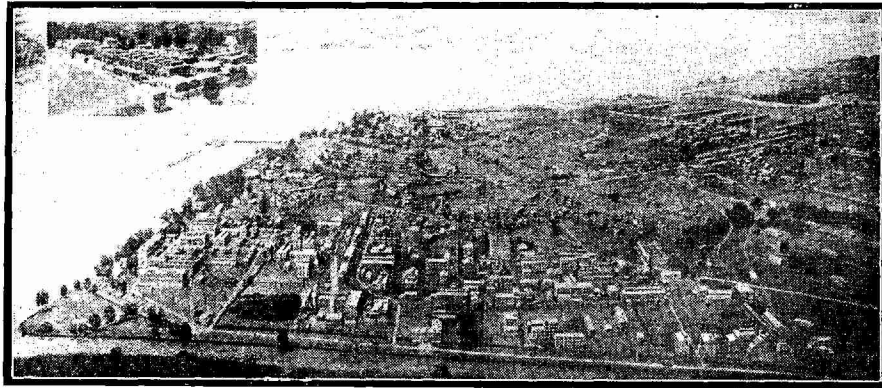
"Organizations interested in the industry of salt in Tsingtao are: Tsingtao Salt Industry Union, Tsingtao Salt Trust Company and Tsingtao Salt Testing House.

Salt Fields			
	Area (Fu)		Output (Tone)
		1917	
Chinese	700 3	Fu	55,440
Japanese	8		420
Total	708 3		55,860
		1918	
Chinese	867 3		92,020
Japanese	43 2		2,600
Total	910.5		94,620
		1919	
Chinese	982 0		173,440
Japanese	686 2		43 360
Total	126 8.2		216,800
		1920	
Chinese	1,057.2		178,892
Japanese	982 1		99,420
Total	2,039.3		228,312
		1921	
Chinese	1,071.1		77,381
Japanese	1,377 2		36,101
Total	2,448 3		113,482

Area of Salt Fields

	Leased by Chinese	Leased by Japanese	Total Fu
1917	700.3 Fu	8 Fu	708.3
1918	167	35.2	202.2
1919	114 1	242 3	356 4
1920	75 2	696	771 2
1921	13 3	395 1	408.4
1922		36 2	36 2
	1,069 9	1,412.8	2,482.7

(Continued on page 48)



MAIN DYE-PLANTS

E. I. DU PONT DE NEMOURS & Co.

ESTABLISHED 1802



DYESTUFFS

DUPONT INDIGO 20% PASTE

(Hung Shin Chop)

Proven by working tests throughout China to be equal to highest pre-war standards.

Vat, Acid, Chrome, Basic, Sulfur and Direct Dyes, for Cotton, Wool, Silk, Paper and Leather, and for making Inks.

The excellence of Du Pont **plant control** is reflected in the uniformity of our product. Our customers get uniform results from uniform Du Pont Dyestuffs.

Quick service guaranteed by large and complete stocks in all important cities.

Consult us about your Dyeing problems. The services and advice of expert chemists and a well equipped laboratory in Shanghai are at your disposal.

諸君上雅一以聘請本行購用之並能專分紅染媒酸性鹽基硫化
料室切便諸專行顏為各物均按照標準製造
驗行請本優點製造墨水羊毛及紙張皮革
本行購用之並能專分紅染媒酸性鹽基硫化
凡購用之並能專分紅染媒酸性鹽基硫化
本行購用之並能專分紅染媒酸性鹽基硫化
等物並能專分紅染媒酸性鹽基硫化
直接各種染料
顏料
各國青
靛
本行所售之靛青已經在
本行試驗證明等於歐戰前最上等
試
本行所售之靛青已經在
本行試驗證明等於歐戰前最上等
試

諸君上雅一以聘請本行購用之並能專分紅染媒酸性鹽基硫化
料室切便諸專行顏為各物均按照標準製造
驗行請本優點製造墨水羊毛及紙張皮革
本行購用之並能專分紅染媒酸性鹽基硫化
凡購用之並能專分紅染媒酸性鹽基硫化
本行購用之並能專分紅染媒酸性鹽基硫化
等物並能專分紅染媒酸性鹽基硫化
直接各種染料
顏料
各國青
靛
本行所售之靛青已經在
本行試驗證明等於歐戰前最上等
試

諸君上雅一以聘請本行購用之並能專分紅染媒酸性鹽基硫化
料室切便諸專行顏為各物均按照標準製造
驗行請本優點製造墨水羊毛及紙張皮革
本行購用之並能專分紅染媒酸性鹽基硫化
凡購用之並能專分紅染媒酸性鹽基硫化
本行購用之並能專分紅染媒酸性鹽基硫化
等物並能專分紅染媒酸性鹽基硫化
直接各種染料
顏料
各國青
靛
本行所售之靛青已經在
本行試驗證明等於歐戰前最上等
試

商美
恒信
洋行
謹啓

上海中國各埠
廣東路三號

Agencies and stocks throughout China

E. I. DU PONT DE NEMOURS & Co., Inc.

3 Canton Road, Shanghai

山東銀行 THE SHANTUNG BANK, LTD.

Head Office, Tsinanfu

CAPITAL... ..\$5,000,000

Transacts the following banking business: Accepts Current Deposits, Fixed Deposits, Discounts Commercial Paper, Loans Advanced on Stocks and Bonds :: :: :: ::

Branches located at the following points:

Tsingtao	Shanghai
Tientsin	Chefoo
Taian	Changchu
Weih sien	Chowchun

Agencies located at:

Woohsin, Nishen, Nanking, Dalny, Peking, Hsuehchow, Pongpu, Chinkiang, Suchow, Chingchow, etc. :: :: :: ::

OFFICERS, TSINGTAO BRANCH

SUI HSI LIN		Manager
YU TIEN-TSI		Sub-Manager
K. K. SUN		Assistant

Tsingtao Branch located at:

No. 3 Honan St. Tsingtao—Tel. 1753—Manager's Office.

HUA HSIN Co.

華 信 號

Tsingtao, China

**GENERAL IMPORT AND EXPORT
MERCHANTS**

Export Peanuts, Peanut Oil, Cotton, Flour and other products of Shantung Province :: :: :: ::

Import Dyes, Cotton Yarn, Petroleum, Lumber, and other manufactured products :: :: :: ::

Branch offices and connections at

Tsinanfu, Tsingchowfu, Taianfu, Tawenkow, Tenghsien, Waihsien, Chufu, and other important trade centers.

SUI HSI-LIN,		Proprietor
WU KAN-PU		Director-Manager
K. K. SUN		Assistant

Cable Address: "FEARON"

EST. 1817

All Codes Used.

THE FEARON DANIEL COMPANY

NEW YORK OFFICE: 90 Wall Street
CHINA OFFICES: Shanghai, Tientsin, Hankow, Harbin,

EXPORTERS & IMPORTERS

PRINCIPAL EXPORTS

Egg Products, Hides and Skins, Wool, Bristles, Human Hair, Walnuts, Groundnuts, Tallow, Rhubarb, etc.

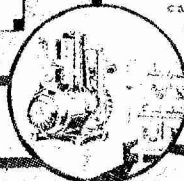
LARGE IMPORTERS of

Metals, Railway Supplies and Equipment, English and American Piece Goods and General Sundries.

Delco Light

The Complete Electric Light and Power Plant

Starts by pressing a button, stops automatically, one piece to oil air cooled, direct connected. Operates on Kerosene—easy to install. Stocks carried, can make immediate deliveries at all times.



SOLE AGENTS IN CHINA DELCO LIGHT PATTON PAINT COMPANY

The Opium Smoker's Conveniences

OPIUM is cheap in the Japanese territory of Tsingtao.

The price of opium, as the price of other products on the market, is regulated by the law of supply and demand. This means simply that opium is plentiful in Tsingtao. And furthermore it is exceedingly easy to get. Places where it is sold freely, are numerous.

These statements are based upon actual experience in getting it. I sent out a young Chinese, who was practically a stranger in Tsingtao, and he returned to my room in the hotel in a few hours to bring a long report of places visited and to present purchases of opium for evidence. He had visited ten places, where opium was offered for sale to him at low prices. He purchased two small cans and a number of pills wrapped in paper, just to show that he could get it without restriction.

The Japanese government opium monopoly was abolished March 31, 1921, but a policy of issuing licenses for habitual smokers was adopted, one place being licensed to sell the drug to those habitual users to whom government licenses were issued. The reason for issuing these licenses to habitual users, according to government announcement, was to enable addicts to get sufficient quantities to escape the extreme suffering which would follow the sudden withdrawal of their supply.

A regulation as to the use of licenses issued by the government provided that they were not to be lent to, nor the opium purchased given to another person. However, the young Chinese who made this investigation for me experienced little difficulty in borrowing a license and he was told that he could purchase as much opium on it as he desired, despite the fact that it provided for the purchase of only a limited quantity and regulations printed on it provided that "the quantity purchasable at one time shall not exceed that required for consumption in three months' time."

Most of the opium den operators informed my Chinese investigator that they purchased the raw material and made their own opium. They seemed to have little or no fear of molestation from the government and apparently very little attempts were made at secrecy in their business. The opium purchased was in tins bearing Japanese labels.

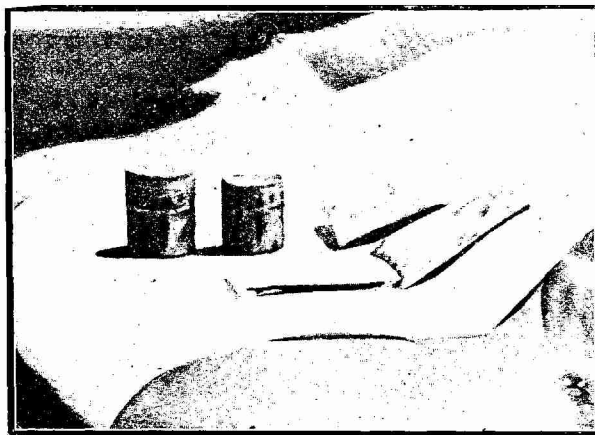
When I asked representatives of the government about the opium business they assured and reassured me that the government monopoly had been abolished, that opium smokers' licenses are no longer issued and that there is no business except a limited and decreasing trade in the supply of the drug to habitual users, the holders of the licenses, the last of which are due to expire next March 31. The system of licensing opium smokers pre-supposed a plan of gradual reduction of the supply allowed them.

Reports, substantiated by statements from numerous persons who have made investigations, show that opium has been distributed through large interior districts from Tsingtao.

At least officially, the government derives no revenue now from the opium traffic. Apparently the wholesale importation of the drug, which has to be going on to supply the shops as they actually were found to be supplied, undoubtedly brings a big income to someone, probably several. Such a traffic certainly would be most difficult, if not impossible, if persistent conscientious efforts were made to stop it. Con-

ditions as I found them speak for themselves. As to who profits from the importation, one man's guess is as good as that of another.

It is a common report that opium does, or at least has, come in along with military supplies. I heard of



Opium Tins and Opium Pills Purchased in Tsingtao Dens by a Chinese Investigator

one or two investigations, later hushed up, in connection with this.

When the government first started issuing licenses to habitual smokers, following the abolition of the government opium monopoly, a fee of one dollar a month for the license was charged, but very few procured a license as the smokers found it cheaper to use smuggled opium. Later the fee system was abolished and the licenses issued free. The number of license holders very soon jumped from 280 to 3,113, which number is supposed to correspond closely to the number of opium users in the Tsingtao district.

The government under the old opium monopoly system, derived a large part of the revenues from this source. Opium money is supposed to account for a number of the big public improvements for which China must pay. Lin Te Shan, the Chinese dealer who distributed the drug under special grant during the monopoly period accumulated a vast fortune. Cheng Chi, another Chinese has the only opium place in Tsingtao now legally licensed. This firm is authorized to sell to license holders, and at least is supposed to handle the drug under close government supervision, to follow strict regulations.

Regulations governing the issue and use of smokers' licenses follow:

TRANSLATION OF ORDINANCE NO. 6 DATED 29TH JANUARY, 1921

"Regulations for the Control of Opium"

"Art. 1. The term 'Opium' used in this Ordinance includes Crude Opium and Prepared Opium.

"Art. 2. This Ordinance does not apply to those cases which as provided for in Art. 4 of the Military Criminal Law, shall be dealt with in accordance with domestic law and ordinances.

"Art. 3. No poppy is allowed to be cultivated for the purpose of gathering opium.

"Art. 4. Without official permission, no person is allowed to import, prepare or sell opium.

(Continued on page 76)

Studying the Sky at the Dawn of a New Day

ARE the Japanese going to get out of Shantung? This is the question most frequently asked in connection with the current chapter of the history of the former German leased territory of Kia-chow and German enterprises in the province of Shantung. The nearest approach to an unqualified answer that might safely be made to this question would be expressed in words to this effect—politically, probably yes; commercially, positively no.

Evidence showing that Japan really intends to surrender to China the political sovereignty in this territory and province is not lacking. The currency of the place, which has been on a yen basis now goes on a Chinese dollar basis and all governmental regulations presuppose a complete change within a few months.

Looking on the commercial side of the question, however, one sees quite a different condition. The general, and apparently the official attitude, is that the Japanese are so well established that they will retain the leadership, irrespective of political changes. With perfect frankness and complete confidence Japanese expressed this attitude in talking to me. I found not a single Japanese tradesman or official of consequence that felt otherwise. The Japanese building program in Tsingtao has not halted, large buildings going up on every side and new streets being opened.

When I asked the manager of one of the largest Japanese houses in Tsingtao if he anticipated a decrease in Japanese business following the transfer of political sovereignty, he smiled and replied with this question, "Why should it?"

His opinion in the matter thoroughly coincided with that of practically all others with whom I talked, namely that a few small Japanese shops, whose trade is principally with Japanese government employes and Japanese soldiers, probably will have to quit business and seek other fields, particularly if the treaty agreement provides for a material reduction in the number of Japanese employed on the railroad, but that the large Japanese houses will not be affected in the least.

Ill feeling on the part of Chinese toward Japanese is the only thing that threatens to force the Japanese to withdraw from the commerce of this district, unless other foreigners come in to offer stronger competition than is anticipated now, according to the opinion entertained in practically all circles except Chinese, and Chinese opinion is divided.

Some Chinese anticipate a gradual withdrawal of Japanese starting from the time the Japanese flag comes down, while others are much more skeptical. Their views will be discussed more at length later.

The factors influencing Japanese to invest here (disregarding alleged financial assistance given by the Japanese government) are: (1) cheap lands and low rents, (2) cheap labor in abundance, (3) proximity to supply of raw materials, (4) supply of fuel, (5) proximity to large consuming markets, (6) excellent climate, (7) advantage in matter of duty in exporting from China to Japan rather than importing from Japan to China, this factor in a degree being an anticipation of the contemplated raise in the Chinese tariff.

Japanese business men point out that all these factors will be unaffected by the transfer of Tsingtao sovereignty and the surrender of special rights in Shantung, presuming, of course, that nothing is done to discriminate against Japanese, and the conferees in Peking are expected to provide adequately against this. Japanese business men are anxious to see the Shantung question settled in a manner conducive to Sino-Japanese friendship because they feel the urgent need of it. They say if friendly feeling is not created and fostered their business will suffer materially.

One Japanese, who has several hundred names on his payroll told me that labor in Shantung was about one-fifth as much as it would be in Japan, and an American told me he was paying about one-half as much rent as he would have to pay in most any other city in the Far East. Because of the many sources of income to the government including the city of Tsingtao, taxes are low. A land tax is levied, which means that the man who owns a vacant lot pays about as much as the man who owns a lot with a factory on it. Much of the Japanese business is explained by the fact that the Japanese have found it to their advantage to establish factories and branches of factories in this section rather than in Japan. Their business here is not confined to imports and exports by any means.

Japanese accompany their statement as to their intention to continue in business here by declarations that the Japanese government gave them no financial assistance in getting started. In any event the government took a vital interest in encouraging the growth of business here, a fact which to some extent explains its concern over the future of the investments made during Japanese control. In this connection the following clipping from a Japanese paper in Tsingtao might be of interest:

"The Japanese residents in Tsingtao will obtain the convenience of a long term loan at a low rate amounting to Yen 2,000,000.00 which will be negotiated at the office of the Oriental Development Company, Ltd. That company in turn will receive the same amount, if formally granted, from the Treasury Department of Japan.

"The government has given its consent to this arrangement informally because the business of the Japanese in Tsingtao will be left half completed when the Japanese administration is withdrawn within this year. The claimants for the loan have based their reasons for appeal on the fact that the uncertainty of the date for the return of the Leased Territory caused their work to be left half done. This loan will be used principally in payment of money advanced for buildings and other enterprises. This company has already, it is alleged, advanced about Yen 4,000,000 for building purposes and building generally."

It is reported that the rate of interest on this loan is 7 percent, which is quite low for such loans.

Japanese are engaged in most every line of endeavor represented in Tsingtao. They are particularly prominent in manufacturing: taking a leading part in manufacturing about every product that comes

(Continued on page 56)

Yokohama Specie Bank, Ltd.

ESTABLISHED 1880



View of the Tsingtao Branch of the Yokohama Specie Bank, Established in 1913.

Capital (subscribed).....	Y. 100,000,000
Capital fully paid-up.....	100,000,000
Reserve Fund.....	65,000,000

HEAD OFFICE: YOKOHAMA, JAPAN.

BRANCHES

Bombay	London	San Francisco
Changchun	Los Angeles	Seattle
Dairen	Lyons	Shanghai
Hamburg	Manila	Shimonoseki
Batavia	Mukden	Singapore
Buenos Aires	Nagoya	Soerabaya
Calcutta	Nagasaki	Sydney
Hankow	Newchwang	Tientsin
Harbin	New York	Tokio
Hongkong	Osaka	Tsinanfu
Honolulu	Peking	Tsingtao
Kaiyuen	Rangoon	Vladivostok
Kobe	Saigon	Rio de Janerio

N. WATANABE-*Manager*

Tsingtao, China.

Return of Weihaiwei

Almost at the very point of the Shantung peninsula is another territory held by a foreign power. This is Weihaiwei, leased to the British, and held practically undeveloped for a British summer resort. At the time negotiation for the return of the former German territory were in progress British representatives reiterated the readiness of the British government to return this territory, saying that the danger that it would fall into other foreign hands seemed to have passed. Negotiations are just now opening for the return of this territory, and indications are that little or no difficulty will be encountered in reaching an agreement mutually satisfactory.

On account of the lack of money, the Chinese Government was not able to organize a commission to negotiate details with the British Government for getting back the port. M. T. Liang, one of the high advisers to the Chinese delegation to the Washington Conference, soon after his return from America, was asked by the government authorities to head the Commission, and he had become quite impatient over the delay in commencing the negotiations caused by the financial stringency of Peking. Some money has now been found, and only recently the Government issued a mandate appointing Mr. Liang chairman of the

Chinese Commission for the rendition of Weihaiwei.

As soon as the Mandate was issued making these appointments, Mr. Liang and his assistants started for Weihaiwei to make a careful study of the problems involved prior to the commencement of the negotiations. Mr. Liang in a personal conversation with a representative of the WEEKLY REVIEW on the train from Tientsin to Peking intimated that he was not going to have a large staff. A few thousand dollars a month will be all required to maintain his commission, he said. This means that the few members of the Commission will have to undertake the whole work by themselves.

Mr. Liang does not expect much difficulty in the forthcoming negotiations. He is one of the earliest Chinese graduates from an American university and after his return, handled one similar case, namely the rendition to China of Port Arthur from Russia, with much success. In private conversations he has repeatedly expressed his belief in the traditional fair-mindedness of British delegates to the conference. Aided by his experience Mr. Liang is not hesitant about entering negotiations with the British delegates, but he is afraid that his countrymen may not be reasonable with him.

Hollington K. Tong

The Salt of Shantung Province

(Continued from Page 42)

According to this table, at present Chinese own 45 percent of the total area of fields in Tsingtao and Japanese, 55 percent, and we can tell also the increased area of Japanese owned fields. The reasons for the increase of Japanese owned fields are as follows:

"1. It is a profitable business to take part in working the salt fields.

"2. The Japanese salt experts found that the salt produced at Tsingtao is of good quality.

"3. To develop Tsingtao into a source of salt supply to Japan.

"4. To hold a majority power in the salt union in order to control salt prices.

"In the same district of fields the cost of construction is in many cases different. I am giving herewith a scale of cost of construction based on an area of one fu:

	Average	Highest	Lowest
"Chinese-owned field—\$ 500	\$ 700	\$ 400	
"Japanese-owned field 1200	1600	800	

"The cost of construction in Japanese fields is more than 100 percent higher than in the Chinese fields.

"According to the regulation of the Civil Administration of Tsingtao, an exporter of salt to Japan should own fifty fus of salt field. There are only ten firms in Tsingtao meeting this requirement. An exporter must first obtain a certificate from the Salt Monopoly Office of Japan permitting the importation of salt to Japan. Then a sample of the salt to be exported is sent to the Tsingtao Testing House for examination. If the sample is up to standard for export, an export certificate and a certificate approving the export of salt are issued by the Testing House for exportation to other places, although the Civil Administration Office has regulations specifying that all salt exported must pass the examination of the Testing House but in many cases it is not tested, especially that going to Hongkong.

"The annual export of salt (in tons) is as follows:

	1917	1918	1919	1920	1921
To Japan	55,497	161,376	204,656	145,616	123,595
To Korea	29,311	54,887	52,681	24,310	42,093
To Other places	10,396	5,529	5,187	67,028	27,243

By way of giving the Japanese view on some of the points touched upon by Mr. Chen we quote here from the translation of an article written in Japanese for a Japanese newspaper by K. Higuchi, Japanese salt expert of Tsingtao. He wrote as follows:

"It is worthy of mentioning why Japanese are so intent in salt manufactory, why the Japanese Tsingtao Garrison also encourages the industry so much. Salt production in China exceeds the consumption, while in Japan more is consumed than produced. Japan produces about 100 million kin while the consumption is more than 150 million, and what is more Korea also consumes far more than she produces. Such a condition compels Japan to secure some source of salt supply. This is why Japanese are so active in the salt industry especially at such a place as commands the convenience of maritime transportation.

"The Salt shortage at home hitherto has been met from Kwantung and Formosa supplies and that of Korea. With Japanese occupation of Tsingtao the export of salt from Shuntan increased to a great degree especially when a recent salt panic was caused by poor yield. The day was saved by Shuntang salt. These instances impressed Japanese businessmen far deeper with the importance of the development of the salt industry in Shuntang. Accordingly the Japanese government also accorded such facilities for this undertaking as were possible.

"With the conclusion of the Washington Conference, however, the above mentioned industry is entirely to be bought over by Chinese. Regrettable as this is, loyal Japanese resigned themselves to the unlucky fate and only wait for a proper solution."

TUNG LAI TRADING COMPANY

TSINGTAO

青島東萊貿易行

Cable Address: TAISHAN

**Export Specialists in the products of
Shantung province:**

**STRAWBRAID
PEANUTS
BRISTLES**

Importers of general manufactured goods

SHIPPING AGENTS

INSURANCE AGENTS

We have branches and connections in all parts of Shantung Province and are long experienced in this trade. Correspondence solicited.

Wild Silk Worms of Shantung

IN silk production Shantung province enjoys a distinctive position. The article from this province differs from that produced in any appreciable quantity in any other place in China. It is known on the market as wild silk, so called because the worms spinning the cocoons from which it is made are not domesticated as in other districts. A part of the silk of Shantung is the product of the domesticated worm, the same as that produced in other parts of China, but far the greater part of it is made from cocoons spun by wild worms which feed on oak leaves instead of mulberry leaves as do the domesticated worms.

The silk spun by the wild, oak-leaf-fed, worm is coarser and commands a much poorer price than does other silk. It is known commercially as wild silk, and the price generally is less than half that commanded by the product from the domesticated worm. Very little wild silk is produced in any other places in China. Chefoo is the center for wild silk, the leading producing center being in the northern part of the province. This silk also is known on the market as Chefoo or Shantung pongee. Due to its coarseness and the numerous rough places that have the appearance of flaws it resembles ordinary silk very little. In its natural state it is a light tan in color.

In German times Tsingtao was the export port for much silk, but with the coming of the Japanese most of the trade left that port and went to Chefoo or by rail to Shanghai, this being due to the Chinese dislike for the Japanese and their desire not to trade with them. It is a matter of speculation as to how much this trade will be recovered by Tsingtao.

The following table gives an idea of the production of wild silk for some years (most of it is from Shantung):

	Europe Etc. bales	America bales
Total Export for Season....1921-1922	5,937	7,807
" " " " 1920-1921	7,478	2,252
" " " " 1919-1920	6,159	8,835
" " " " 1918-1919	3,710	7,842
" " " " 1917-1918	4,388	6,876
" " " " 1916-1917	1,687	11,684
" " " " 1915-1916	4,954	13,979
" " " " 1914-1915	8,434	7,530
" " " " 1913-1914	10,577	10,260
" " " " 1912-1913	13,273	11,068

The mulberry silk cocoon of Shantung, of which the quantity is sufficient to play an important part in the province's commercial life but not so important as does the wild silk, is yellow instead of white as in most other places. The yellowness is said by silk people to be due to conditions of the soil.

Vital information concerning the silk industry is contained in the following paragraphs from Chefoo trade reports touching upon the organization and activities of a silk commission, whose purpose it is to improve and further the business:

"In the spring the Government authorised the formation of an International Commission for the Improvement of Silk, recognising that an industry which has existed for thousands of years would die if help was not given, as it was a case of traditionary methods competing with science. This promises much for the province and port (Chefoo). The Commission is aiming high, but going slowly. Work during the year has been confined to inquiry and preparation. After eight months' search a Chinese, Mr. Wang Kiai You, thoroughly educated in France, was appointed as head of the school and field work. An investigation tour of some 1,200 *li* in neighboring *hsien* by Mr. Curtis and two Chinese proved not only that there were tens of thousands of *mou* of oak-growing land lying waste, but once it was understood that the commission included foreign members, farmers and others welcomed it as proposing the very work they were unable to carry out unaided. They gave information freely and promised full co-operation. An offer to supply free, under guarantees, acorns, as far as such could be obtained, for planting in the autumn led to requests for about 3,000 piculs for 4,400 *mou*; collectors could only get 300 piculs, and about 30 percent were bad. The commission has authority to claim the use of government land. It wanted some land near the port; but, after long inquiry, there being no land office, it appears that all land here has been acquired in past years by individuals. Some owners have undertaken to plant or have offered the commission free use of their land for a term of years. The dryness and bright air of this district makes it specially suited for silkworms, and the usual droughts render the mulberry equally suitable as a crop; therefore it is intended to introduce here the mulberry silk culture, which flourishes in other parts of the province. The commission planted a few oaks and sowed acorns and mulberry seeds in a small experimental way; it has on order tens of thousands of mulberry plants, has received a present of several thousands, and has close to 2,000 five-year-old plants. In 1921 a small class of students can be taught; by 1922 there should be mulberry leaves enough available for a large class. Not only is it the intention to teach women, but special pains will be taken to induce women to take the work up.

"In wild silk the methods of sericulture have to be studied by the sericulture experts, with a view to improvement being possible. Study and eradication of disease in the wild silk is a very difficult matter. The eggs of the mulberry moth are laid months before the time for hatching; the wild silk eggs are laid within a few days of hatching, so little time is allowed for examination of the mother moths. Already it appears that they suffer from diseases additional to those of the domestic species. It is proposed to have a lecturer touring the country when magic-lantern slides and cinema films are procured. With both silks the only real result which can be expected in 1921 from the laboratory work is in eradication of disease and in the raising of enough seed to see how the local variety compares with others."

Principal Chinese Firms in TSINANFU, CHINA

TSZE SHING CHEN SILK COMPANY

Tsinanfu, China.

All kinds of Chinese silks for summer and winter wear.

Gauze, crepes, embroideries in latest designs.

Grass cloth, muslins, linens, and full assortment of imported piece goods and draperies.

Mail orders promptly attended.

Telephones: Head office, 537; Branch office, 145.

TSI FOONG FLOUR MILL

Tsinanfu, Shantung Province.

Chops: "SINGLE PAGODA" "DOUBLE PAGODA."

Daily Output.....5,000 Bags.

Best quality flour, milled by American and European machinery.

TSI TUNG GODOWN COMPANY

Tsinanfu, China.

The Tsi Tung Godown Company owns warehouses, carries on a storage business, acts as agent for patrons, obtains loans from banks on behalf of patrons on goods stored in premises. Also acts as commission agents. Lowest rates are charged for storage and commission.

A branch line of the Tientsin-Pukow railway runs between our storage yard and the station, which facilitates the handling of cargoes.

For further particulars please apply to the office of the company, east of the overhead bridge railway station, Tsinan.

Managing Director - Loo Wei Tsai
Manager Tan Zui Foo

FOU CHING SING COTTON COMPANY

Tsinanfu, China.

Cotton Commission Agents.

Specialty of cotton produced in Nankunghsien and Tsaokianghsien (Chihli) and the Tunghing district of Shantung. Product sold to cotton mills of Shantung province.

Prompt transportation and moderate prices.

FOONG NIEN FLOUR MILL

Tsinanfu, China.

New American Machinery under Supervision of an American Expert.

Daily output, more than 9000 bags.

MEI-FOONG PRODUCTS COMPANY

Tsinanfu, China.

Importers and Exporters of

Cotton, Peanuts, Shelled Peanuts, Red and White Gaudiang, Various Brands of Beans.

We handle large shipments of the products of Shantung Province to Japan and the United States.

THE TUNG LAI BANK

Tsinanfu, China.

Established 1919.

Head Office, Tsingtao. Branches in Shanghai, Tientsin, Dairen, Tsinan. Agencies in Peking, Chefoo, Nanking, Hsikwan, Suchowfu, Soochow, Hangchow, Wusih, Chinkiang, Pungpu, Hankow and Nantungchow.

Bills of exchange bought and sold. Loans granted on approved securities. All kinds of banking business transacted. Godowns reserved for pledged goods at moderate rates.

For particulars please apply at the Tsinanfu office, located on Main Road.
Telephones: Manager, 1646; Business office, 456; General office, 483.

WHA CHING FLOUR MILL

Tsinanfu, China.

Latest American Machinery. Daily output more than 5,000 bags.

TSINANFU TELEPHONE COMPANY

Tsinanfu, China.

Latest model German Equipment

More than 6,000 Subscribers. Instantaneous Communication and Prompt Service.

THE SHANTUNG BANK

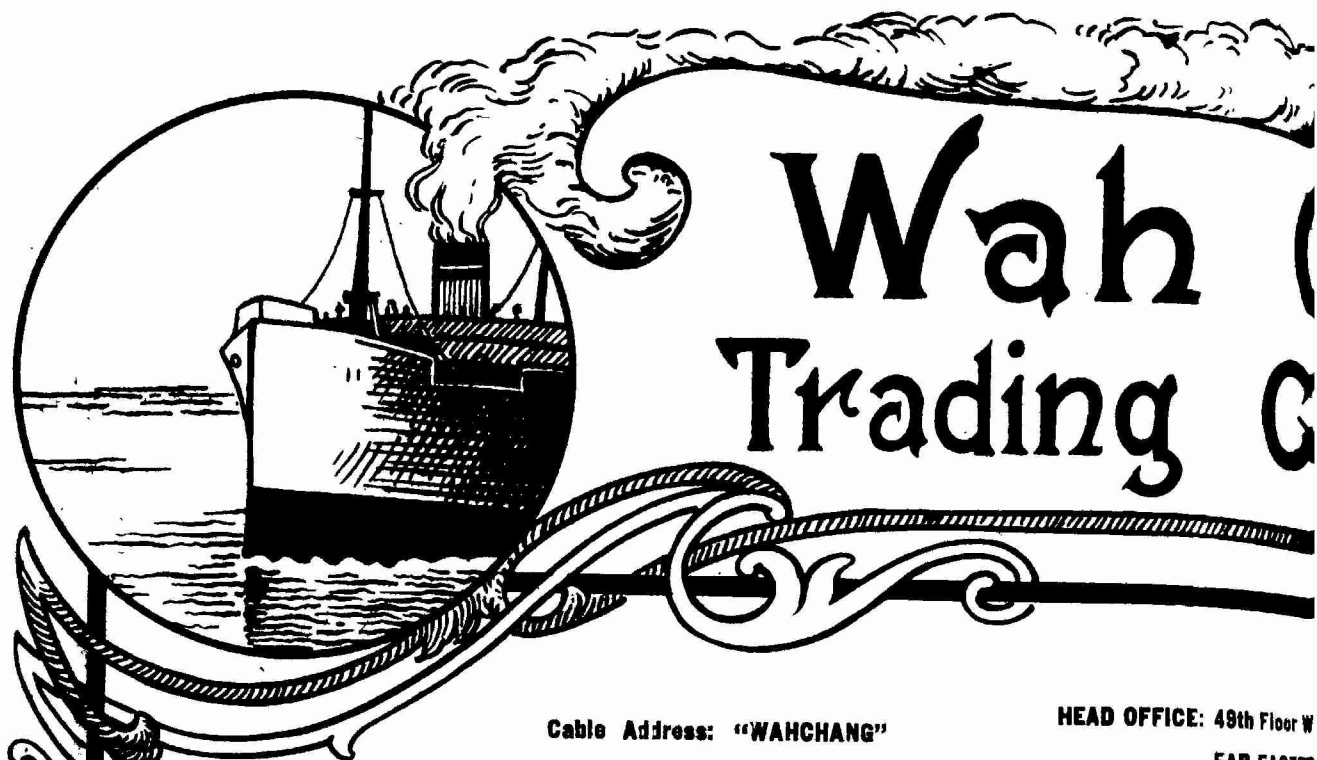
Tsinanfu, China.

Capital \$5,000,000

Branches at Shanghai, Tientsin, Chefoo, Tsingtao, Chowtsun, Tian, Changkin, Weihsien. Agencies at Peking, Nanking, Suchowfu, Pungpu, Hangchow, Wusih, Iking, Tsingchow.

All kinds of banking business transacted. Interest allowed on current and fixed deposits. Loans granted on approved securities. Every description of banking and exchange business undertaken.

Telephones: Manager, 410; Business Department, 880; General office, 525.



Wah Trading Co

Cable Address: "WANCHANG"

Telephone: Central 5387-89

HEAD OFFICE: 49th Floor W

FAR EASTERN

8 and 9 Ningpo R

Branches and Agent

Importers, Exporters, En

Pioneer in China

EXPORTERS

Metals and Ores

W. C. C. Brand Antimony Regulus
Needle Antimony sulphite.

" " " powder.

White Antimony Oxide.

Tin Chinese No. 1

Tungsten Ore

Manganese Ore

Mica

Asbestos

Pig Iron

Hair, Bristles & Hairnets

Human and Horse Hair, Wool, Camel Hair,
and Hairnets

Oils and Fats

China Wood Oil, Peanut Oil, Soya Bean Oil,
Cotton Seed Oil, Pepper-mint Oil, Animal
Tallow, Vegetable Oil.

Raw Cotton

Egg Products

Egg Albumen, Yolk and Powder.

Tea of all kinds

Silk goods and Raw Silks

Miscellaneous

Camphor, Gail nuts, Rice, Straw Braids, Hides
& Skins, Rugs & Carpets,

General Merchandise

SOLE A

Woonsocket Machine & Press Co.,

Woonsocket, R. I. (Cotton Mill Machinery)

Fales & Jenks Machine Co., Pawtucket, R. I. (Cotton Mill Machinery)

Eastern and Burnham Machine Co.,

Pawtucket, R. I. (Cotton Mill Machinery)

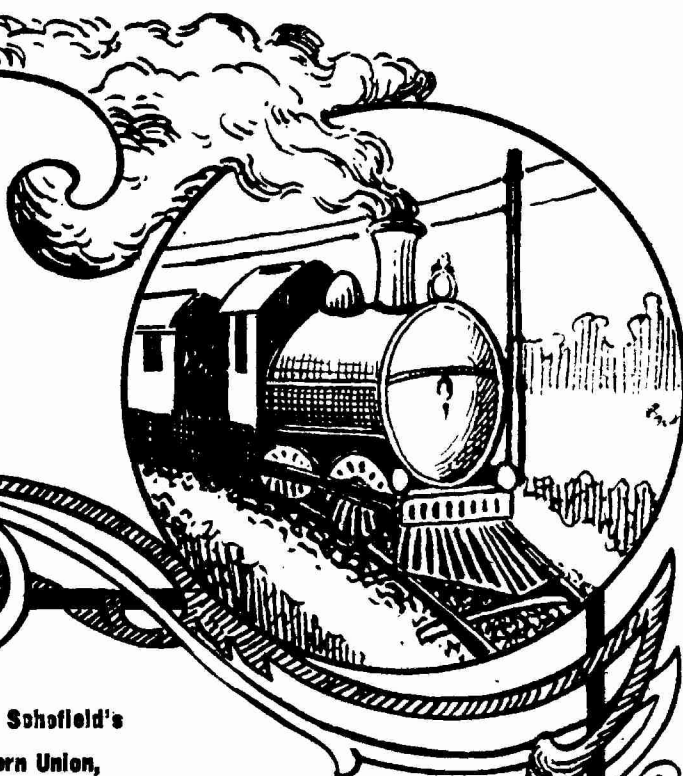
Niles-Bement-Pond & Co., 111 Broadway, N.Y. (Machine Tools)

Pratt-Whitney Co., 111 Broadway, N.Y. (Machine Tools)

Vulcan Locomotives Co., 50 Church St., N.Y. (Locomotives)

Casey-Hedges Co., Chattanooga, Tenn. (Boilers)

Chang Corporation



Woolworth Building, New York City

TERN MAIN OFFICE :

po Road, Shanghai, China

ents all over the world

Engineers and Contractors

China's Foreign Trade

Code: Bentley's, Schofield's

Liber's Western Union,

A.B.C. 5th Edition and Private Codes

IMPORTERS

Cotton Mill Machinery
Woolen and Worsted Machinery
Silk Throwing Machinery
Bleaching and Dyeing Machinery
Knitting Machinery
Mill Supplies

Shaftings, Pulleys, Belting, etc.

Machineries

Cigarette making machinery, Paper mill, Flour mill machinery, Sugar mill machinery, Match making machinery, Oil mill machinery, etc.

Power Plant Equipments

Boilers, engines, turbo-generating sets.

Locomotive & Railroad Equipment

Automobile, Trucks, Motor Cycles & their Accessories.

Electrical Supplies.

Metals and Metalwares

Chemicals

Dyestuffs, Drugs, Paints, etc.

Synthetic Indigo pastes 20%

Papers of all kinds

General Merchandise

AGENTS FOR

American Machine & Foundry Co.,

Brooklyn, N.Y. (Tobacco & Cigarette Machinery)

Smith Gas Producer, Dayton, Ohio. (Gas Producer)

Dayton Dowd Co., Quincy, Ill. (Pumps)

Stafford Co., Readville, Mass. (Weaving Machinery)

T. B. Wood's Sons Co.,

Chambersburg, Pa. (Transmission Machinery)

Sperry Gyroscope Co.,

Brooklyn, N.J. (Searchlight and Gyro Compass equipments)

Copper Clad Steel Co., Rankin, Penn. (Wire & Cables)



Sportsmen's Notice!

SPECIAL LOADS
IN

REMINGTON SHELLS

FOR CHINA GAME BIRDS

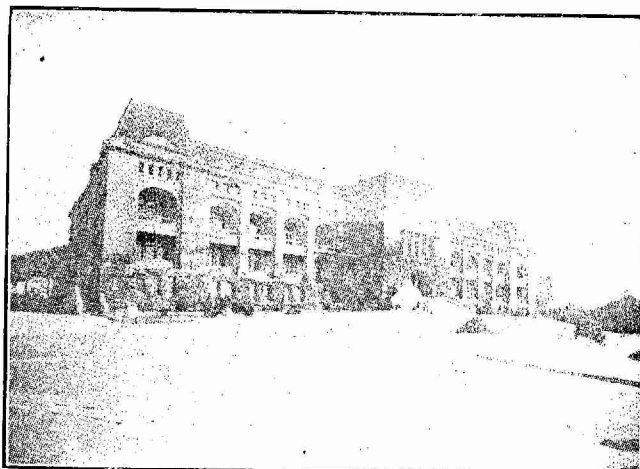
SPORTING GUNS

of all kinds and a full stock of hunting
Accessories

Send for New Price List

SQUIRES, BINGHAM CO.

17a NANKING ROAD



Headquarters of Tsingtao Garrison and Civil
Administration Department

Foreign Aid Necessary for the Future Development of Tsingtao

(Continued from page 8)

give their financial support to the Chinese authorities, together with the other Chinese friends and also the Japanese business men who have already established themselves in this port or in other cities throughout the province.

Thus the extension of the railway and the development of Tsingtao will undoubtedly result.

The fundamental question discussed at the Washington Conference was to establish a world-wide peace, as the only basis for every attempt at progress. It was for this reason that I approved some time ago the establishment of the Tsingtao International Club.

To promote mutual understanding between the different nations must be, in my opinion, the first step towards international business cooperation. Such a club seems to be the best organ in this connection, where all nationals frequently meet and exchange their views. Accordingly, the Chinese will be enabled in future to expect more foreign aid in their different enterprises and the foreigners may find in return further facilities for their commercial and industrial activities and the Japanese will have better opportunities to show other nations that they are not ambitious to acquire Chinese territory.



Pumping Sea Water into the Kiaochow Salt Fields



The Great China Corporation

司公業興華中大

IMPORTERS EXPORTERS ENGINEERS

HEAD OFFICE IN AMERICA:

5. Wells St., Cable address,
Chicago, Ill. CHINACO-CHICAGO

HEAD OFFICE IN CHINA:

B. Canton Road, Cable address,
Shanghai, China. GREATCHICO-SHANGHAI

Branches and Agencies in entire China and all over
the World

Exporters of: Rugs, Silk Goods, Hair, Bristles,
Fur Nets, Novelties, Oils, Egg Products, Nuts and
Fats, Metal and Ores, and General Merchandise.

Importers of: Iron and Steel Products, Construc-
tion Materials, Chemicals and Oil, Paper of all kinds,
Machinery, Apparatus, and Material of Mechanical,
Electrical, Civil, Mining, and Chemical Engineering,
various Laboratory Equipment.

Our Engineering Staff Furnishes Estimates of
Costs for All Industries. Prompt Shipment and
Efficient Service Guaranteed. Our Experience in
China Trade Is Large and Varied. Inquiries Are
Welcome.

The Foreigners' Voice in Tsingtao

(Continued from page 13)

that legislative measures pertaining to public works must originate in the international house.

The Chinese confidently expect a material growth in the foreign community (non Japanese) of Tsingtao after the restoration of political rights to China, growth accompanied by an increase in the amount of foreign capital invested. Broadly speaking the commercial opportunities are there to attract foreign capital, natural resources of the district are great, but other foreigners will have to recognize the fact that they will compete with Japanese who already are firmly established and who, because of the proximity of this territory to Japan together with numerous other considerations, have a decided advantage. They came and established themselves



Japanese Army Officers of the Tsingtao Garrison at Horseback Practice

when they had all forms of encouragement, support and assistance from their government, which was then the sovereign government of this territory. They have the pick of the property.

Now, if they are given sweeping advantages over other foreigners in the point of voice in the management of municipal affairs, they will be so entrenched that other foreigners will have precious little show in competing. This is why the Occidental nationals are anxious about the municipal government. It is freely admitted that because of their large number of nationals and their extensive property holdings the Japanese are justified in expecting fuller representation on any international committee of the municipal board than any other foreign country has. However, if they are given a monopoly, or anything amounting practically to a monopoly, on the foreign representation, other foreign capital will be inclined to take fright and to take permanent flight.

\$ 1 A PERSON,
for 400,000,000 people,
will redeem the whole
SHANTUNG RAILWAY
and more.

Come in and put your \$1 down
We will take care of it.

TUNG LU COMMERCIAL AND SAVINGS BANK

P25 NANKING ROAD, SHANGHAI

上海東陸銀行
英大馬路二十五號

THE INDUSTRIAL & COMMERCIAL BANK, LIMITED

SHANGHAI BRANCH
51 Kiangse Road

Telephones C. 3204, 5816 and 6552
Telegraphic Address: KONGSHAN

HEAD OFFICE:
HONGKONG

Hankow Branch: Panoff Building

*Correspondents throughout principal
commercial centers in China
and abroad.*

Every description of Banking transacted.

CHU KINHOW
Manager, Shanghai Branch

Shantung People's Daily Bread

North China, including the province of Shantung, is a heavy wheat producing district. Also it is a heavy consuming district. Manchuria, is the real home of the wheat and flour business of this district, but a number of the provinces a little further south, including Shantung, grow no mean crop.

Anything like an accurate estimate of the total production of wheat in Shantung is utterly impossible as also is a guess at the average yield per acre. Statistics are unknown and under the present conditions impossible of compilation. There is no way to get at the productions because there are no organizations of growers, and marketing channels are so irregular that no one is in a position to keep a track of what is sold. Wheat is grown in little patches on small farms, marketed in dribs and much of it ground by hand on antiquated little mills (if one might dignify them by the title of mill.) It has been estimated that the total production of wheat in China is a hundred million bushels but such an estimate is so far from authentic that it is of value only in the sense that it gives one the impression that a lot of wheat is grown, which is correct.

Modern flour mills are rising with dignity in Shantung province as in other places in China. In fact, the milling business there is enormous. In the present period of depression mills there are growing in number and in size. Tsinanfu, the capital of the province is the milling center, being in the midst of a good wheat growing district and at the same time having the advantage of railroads for shipping.

Mills can sell as much cheap flour as they can produce, but their high-class product finds ready sale. All northern Chinese always have lived largely by bread and the development of the grain and milling business is a natural development.

American mills have the advantage in this market. In the first place most plants are equipped with

American machinery. The Chinese are familiar with it and like it, and it does the work well. German offers for machinery are at prices far under those quoted by Americans but relatively little business is done in this field, and the fears that future developments will change conditions are not great.

Shantung wheat is fairly hard, resembles rather closely Kansas wheat, and the ratio of flour and bran is good enough to make an American miller envious. One miller said that 80 percent of flour was procured while another gave it as 76 percent, which is good indeed.

The general shortage of statistics leaves the government bureaus without complete lists of mills in the province and without accurate figures as to the capacities of those listed. There is one mill in the leased territory of Tsingtao. The following list of mills in Shantung is a compilation of reports from a government bureau and records on file in the offices of several flour mill agents and its completeness is not certain:

Name of Mill	Location	Daily Capacity (In Bags)
Ching Foong Mill	Tsinanfu	5,200
Fengnien Flour Co.	"	5,000
Jehon Flour Co.	"	675
Hsinshunfu Mill	"	675
Hung Shing Mill	"	1,500
Chin Yuan Tai	"	100
Hui Foong	"	3,600
Hwa Ching Mill	"	1,500
Manchuria Mill Ltd. (Branch)	"	3,784
Ming An Mill	"	7,000
Poo Li Mill	"	600
Mow Sung Mill No. 4	"	3,200
Wai Foong	"	1,600
Tung Foong Mill	"	450
Tsingtao Tsinfeng Flour Mill	Tsining	4,500
Moulangfu Machine Flour Mill, Ltd.	Fushanhsien	3,000
Santo Flour Mill Changtien	"	400

Studying the Sky at the Dawn of a New Day

(Continued from page 46)

from this district. As would be expected the Chinese are the farmers, Japanese taking little part in agriculture.

Tsingtao has more than half as many Japanese as Chinese today, while in 1913 the population figures showed the Chinese population to be 53,312 and the population of all others combined to be 2,411. Census reports, revised to April 30, 1922, give the following figures as to Tsingtao population:

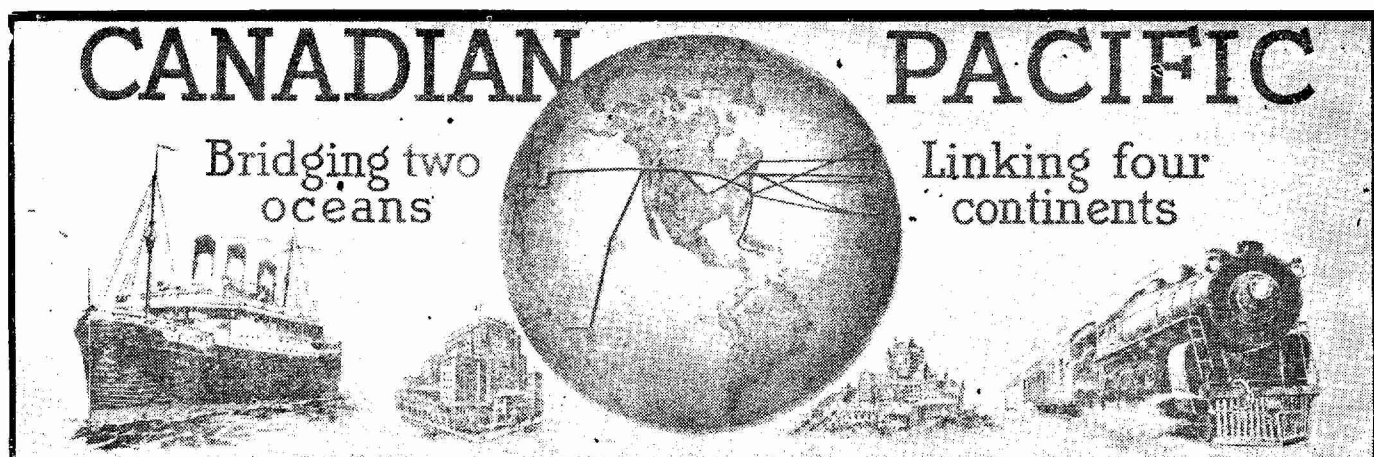
Nationals	Number
Chinese	40,000
Japanese	21,013
British	47
Germans	101
Americans	55
Russians	281
All Others	94
Total	61,591

In all twenty-two nationalities are represented. The Japanese population along the railway is given as 4,644.

Many Japanese are connected with the salt industry, that business being dominated by them.

Although there is a possibility that the Peking conference may have difficulty in settling matters pertaining to the question of what cities along the railway are to be open to foreigners, unofficial statements are to the effect that the Chinese government has decided that eight cities will be open, these being Changtien, Fangtze, Kaomi, Weihsien, Poshan, Choutsun, Tzechuan and Tsingchowfu. Naturally the number of cities open will have much weight in deciding the sphere of influence the Japanese can enjoy.

Tsingtao's cable connections will remain in Japanese hands unless China repairs cables which have been removed in part. Before the war there were two cables, one to Shanghai and one to Chefoo. After the Japanese had taken the reins these cables were cut; parts of them taken out and used in a line to Sasebo, Japan. The parts of the old German cables left unused will go to China. The treaty provides that settlement as to the landing at Tsingtao and the operation of the Sasebo cable shall be left to the conference now in session in Peking but it is quite generally supposed that the Japanese will retain the cable without question. This is direct evidence of the plan of the Japanese to retain hold on the commerce of this section.



THE WORLD'S GREATEST HIGHWAY

Steamships:—

TRANS-PACIFIC—The Newest, Largest, Fastest, and Finest Steamships on the Pacific Ocean. The Empresses lead the Pacific!

				Gross Reg'd Tonnage.	Displacement Tonnage.
Empress of Canada	...	..	...	22,000 tons	33,000 tons
Empress of Australia	..	...	...	21,500 tons	31,000 tons
Empress of Russia	...	...	...	16,850 tons	25,000 tons
Empress of Asia	...	...	...	16,850 tons	25,000 tons

TRANS-ATLANTIC—The Atlantic Empresses are the Largest, Fastest and most Luxurious Steamships on the Sheltered St. Lawrence Route. Only four days open sea.

Railways:—

The Canadian Pacific's four daily Trans-continental trains across North America are the longest distance fast express trains in the world.

Hotels:—

Canadian Pacific Hotels from the Atlantic Ocean to the Pacific set the standard for hotel accommodation in Canada. Each hotel is distinctive in appointment and style; each has the same superb Canadian Pacific service.

QUICKEST TIME TO CANADA, U. S. A. AND EUROPE

Sailing dates of Atlantic and Pacific Empresses are arranged so as to make Immediate Connection, enabling passengers to travel from Shanghai to

London or Paris in 28 Days :: :: Berlin in 30 Days

FOR RESERVATIONS

(Trans-Pacific, Sleeping Car and Hotel, Trans-Atlantic)

Apply to the Company's Offices at

HONGKONG MANILA MOJI NAGASAKI KOBE YOKOHAMA
SHANGHAI

Cable Address at all Ports: "GACANPAC"

Westinghouse

ELECTRICAL APPARATUS FOR EVERY PURPOSE

*This trade mark
is the guarantee of
dependable elec-
trical equipment.*

The Central Station

The machines of a Central Station for the generation of electric power are the tools by which the forces of

Nature are shaped to fit the needs of man. For it is the force which Nature has stored in her mighty rivers or fields of coal, that is transformed into the electric current that gives us light, heat and power for our every task.

In designing machinery that fits both the sources of Nature and the needs of men, Westinghouse is supreme. The same care and precision in plans, materials and workmanship is exercised in building the smallest knife switch and the largest generator. That is why all Westinghouse equipment is efficient.

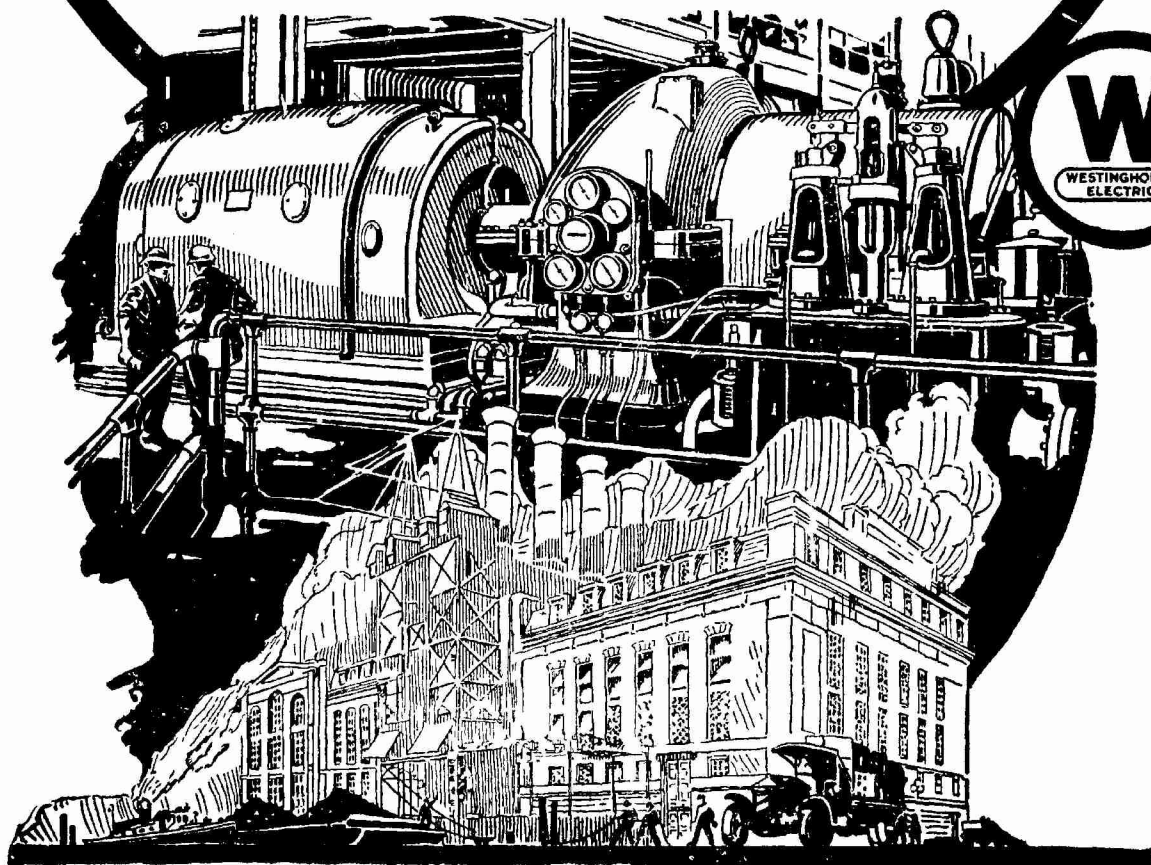
The name Westinghouse is your guarantee of electrical equipment.

WESTINGHOUSE ELECTRIC INTERNATIONAL CO.

No. 1 The Bund, Shanghai

Cable address: Wemcoexpo. Shanghai, Hankow, Hongkong

*Let Westinghouse
Engineers help to
solve your elec-
trical problems.*



Read This Column

PUBLIC DEMAND is a resistless power. Men who have the insane courage to fight it, leave no "footprints on the sands of time."

We have had our ears on the ground for years, listening to the Voice of Public Demand. We know the kind of pictures it wants. And these are being produced by us.

Are **YOU** seeing **UNIVERSAL PICTURES**? Does your favorite theater show them? If not, don't you know that it will show them if you ask for and demand them?

Do you want to see **FOOLISH WIVES** the biggest and most costly picture ever produced with and by Eric von Stroheim.

Do you want to see **PRICILLA DEAN** in "Under Two Flags," a superb screen version of Ouida's famous story? Ask your favorite theater to get it.

Do you want to see that sterling actor, **HOUSE PETERS**, in the awe inspiring production of the big stage success, "The Storm"? Then ask your favorite theater to get it. It will.

Besides those above, you **WILL** want to see **MABLE JULIAN SCOTT** in "No Woman Knows," **PRICILLA DEAN** in "Conflict," "Wild Honey," "The Flame of Life," "Trimmed in Scarlet"; **HOUSE PETERS** in "Human Hearts," **LON CHANEY** in "The Trap" and "Bittersweet," **REGINALD DENNY** in "The Kentucky Derby" and in "The Abysmal Brute," a Jack London fight story. Sure You Do.

You will surely want to see our serials such as "Winners of the West," "With Stanley in Africa," "Robinson Crusoe," "The Perils of the Yukon," "The Radio King" and "Buffalo Bill."

One thing you can be sure of. You will never see the best in pictures unless you see **UNIVERSAL** pictures.

Universal Film Mfg. Co.

Head Office: 1600 Broadway, New York City

Offices in China

Shanghai 122 Szechuen Road

Hongkong 31 Icehouse St.

Swinging Wide the Door to Shantung

(Continued from page 7)

"In selecting commercial settlement sites, attention will be given to the prospective needs of manufacturers. They will need good sites, ample trackage and adequate station forces to handle shipments with dispatch."

By making the Shantung road an integral part of the whole government system as to operation, Dr. Wang believes a great part of North China will receive a service that it has heretofore been unable to obtain, namely speedy delivery of goods from the sea westward.

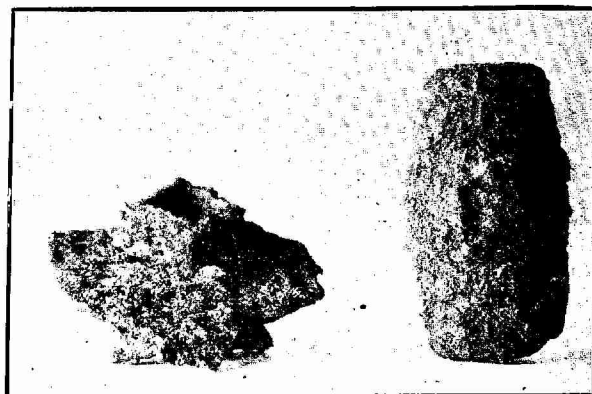
Transfer from Trans-Pacific liner to coastwise vessel, from vessel to lighter, lighter to rail and perhaps another transfer from one railroad to another, piles up the dollars and the minutes. Dr. Wang's aim is to have through traffic to the port of Tsingtao without transshipment at Shanghai. He would take the goods from the ships to the cars and run the cars through to the destination of the goods.

"This will be done as soon as the road is transferred," Dr. Wang said. "Goods bound for points on the Tientsin-Pukow line or to points beyond Peking need not be delayed. We can hasten the delivery and reduce the cost to the shipper at the same time.

"However it is a round about course from Tsinanfu to points on the Peking-Hankow line. This calls for the early building of the line from Tsinanfu to Shentefu. This line would be about as long as the Shantung railway and would not be difficult to build. With it we could get more of the business originating on the upper Yangtze and especially a good portion of that originating immediately north of the river. The valley trade that in normal times goes from the valley to Russia would to a great extent go out through Tsingtau.

"I don't think the proper importance has ever been given to this line, either by local capitalists or foreign investors. The Consortium did not in its plans give it the consideration to which it is entitled. The long haul westward is going to be the paying haul for the road and the building of the line to Shuntetu is going to open vast commercial opportunities. When it is built it will really be a part of the Shantung road. I am discussing the building of this road with the bankers and I am sure that it can be financed.

"None of these plans are fanciful or visionary to my mind. The opportunity for business is there and will amply repay every effort to get it. In going after this business the principal of equal opportunity will be applied throughout."



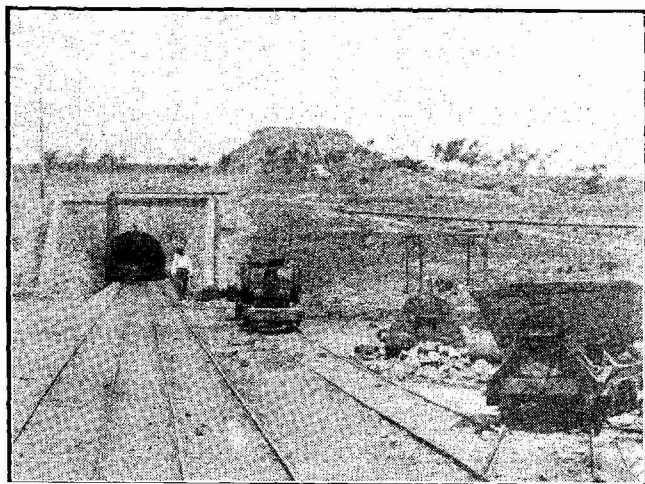
Crude Implements Made Hundreds of Years Ago by Chinese from Shantung Iron Ore, Containing All Its Impurities Was Melted in Improvised Furnaces and Various Implements Molded This Photo Shows a Hammer and a Hoe. They Are in the Office of the Chinglingchen Iron Mines, Where They Are Treasured Because of Their Historical Significance.

Japanese Mining Operations Imbitter Chinese

(Continued from page 14)

The Fangtze mines are in a field which had been worked by the Germans twelve years. This district, which is tapped by a spur of the Shantung railway, was producing about a quarter of a million tons annually under German management before the war. The two mines now in operation are producing at present less than 400 tons a day but the output could be materially increased without enlarging the plants. The coal is bituminous and is extensively used for domestic purposes in Tsingtao.

When the Germans saw they were unable to hold Tsingtao and the Shantung properties in 1914 they damaged the pumping machinery at the Fangtze



Entrance of the Chinglingchen Iron Mines

mines before abandoning them, with the result that the main shaft was so badly flooded that operations there were not resumed by the Japanese. The Japanese have opened several new shafts in this field, two of which are not yet producing.

The Weihsien field, in which are located the Fangtze mines, was worked by a German company known as the Schantung Eisenbahn, capitalised at 12,000,000 marks. The company started operations in 1902. There are three seams of coal, the middle one being the principal one. It is about 9 feet thick at a depth of 450 feet. The seam below is about the same thickness and the one above about six and a half feet thick.

The Fangtze East Colliery, a short distance south-east of the old Schantung Eisenbahn Gesellschaft main shaft, was opened by Japanese who started work in 1917. This mine level is 236 feet down. The Fangtze West Colliery, two miles west of the original shaft, is operating in a shallower seam, and has trouble keeping out water, but is producing more than is the East Colliery. The Fangtze district has afforded many disappointments, largely because the seams are badly broken up. Japanese operation has been more successful than was that of the Germans.

The Tzuchuan mines, now under direct management of the Shantung Railway organization of the Japanese government, is the most important of the coal mines from the government's point of view. This

field is reached by Shantung railway spurs. Tzuchuan proper is reached by a short branch line running off the Poshan spur. This field contains a body of coal covering 418 square kilometers. The estimated volume of coal deposits is 800,000,000 tons. The coal seams in the whole Poshan valley, which includes the Tzuchuan mines, outcrop at the edges of the fields and dip toward the center of the valley. Within a depth of less than a thousand feet three strata groups are to be found. The first layer group contains bituminous coal, the second semi-bituminous and the lower one anthracite. The uppermost layer contains excellent coking coal. The Japanese navy found the lower layer well adapted for use in the ships of the Japanese navy, and it is largely for this reason that the Japanese were so much interested in these mines.

The Japanese are in the midst of an extensive improvement and enlargement program, which has not been halted by the Shantung conference. The Germans mined 1,500 tons a day here. While, due to the general business depression, these mines are not running at near full capacity now, the Japanese government is installing new machinery of modern type on a large scale and developing new shafts, which will mean greatly enlarged possible production.

When the Germans left these mines in 1914 they wrecked part of the machinery, halting all activities to such an extent that when the Japanese tried to start the plants again they found the mines flooded. It was not until the middle of 1915 that repairs were completed sufficiently for operations to be resumed on a limited scale. About a year later the production had been brought back to about where it was under German operation.

These mines are worked by Chinese coolie laborers under Japanese supervision. The Chinese work in twelve hour shifts, their pay being from 30 to 60 cents (Mex.) a day. The laborers reside in the surrounding villages and farming districts. The supply of labor is adequate to the needs.

As of interest in throwing light on Japan's reasons for taking so much interest in the Shantung mines the following is quoted from a Japanese paper in Tsingtao, which is generally considered the organ that speaks the mind of the government:

"The saying that the prosperity of a state is due to the yield of iron and coal is worthy of attention. Japan, regrettable to state, was far inferior to America or Britain in this point, but this trouble was in some degree overcome with the addition of Korean iron mines, which resulted from Korean annexation. However, to bring the iron industry into an active condition Japan needed fuel. To meet this demand the Towa Company opened collieries in Shantung to the great benefit of the homeland. The coal industry cannot be neglected at this time of industrial upheaval. When Japan occupied the Poshan collieries during the war they already were under German operation, and it was said that the production was 500,000 tons a year. The Poshan mines being rich in coal, it is said that two mines jointly contain 1,500,000,000 tons of coal, and moreover this coal is good for coking. The Germans attempted to establish an iron manufacturing plant near there, it is clear from records left. With Japanese occupation Japanese business men invested large sums of money in the coal industry, so that the total sum came up to 6,000,000 yen. Among

these business firms, the Towa Company is the biggest and most prosperous."

Iron ore played an important part in the Japanese territorial and commercial program of Shantung. About four miles north of the Shantung Railway and about a hundred and eighty miles west of Tsingtao is to be found a mountain rich in iron ore of exceedingly high grade, so high grade that the Japanese report it



Tzuchuan Coal Mines, Operated by the Shantung Railway Administration, a Japanese Government Organization. (The scaffolding at the tippie in the center of the picture represents a part of the extensive improvement and enlargement program being carried on by the Japanese while negotiations for transfer of the mines are in progress.)

is surpassed nowhere in the world. The Chinglingchen iron field in Hung Tai Hsien, Shantung, is, according to official Japanese reports, 283.1 square kilometers in area. Where the ore bed outcrops on the mountain sides Chinese coolies, paid 30 to 60 cents a day (12 hours), are digging out ore that runs 65 percent or better in iron.

This surface mining is for the most part done on a rather small scale as the areas where the ore outcrops are not large enough for it to go on wholesale. But even in the principal mines, the cost of operation is relatively low. Entrance to the mines is a slope on the hillside. Steep slopes are made underground to reach lower levels of ore.

Cost of production here is about 20 percent lower than in Manchuria, where the Japanese mine ore in connection with the operation of the South Manchurian Railway. This extra low production cost figure can be understood when it is stated labor costs here about one-fifth what it does in Japan. At present 600 Chinese coolies are employed. The wage for men is 30 to 60 cents and many boys, 15 or 16 years old work for as low as 15 cents a day, a day being 12 hours. They work seven days a week, but get two holidays a month.

The output goes to the Japanese government smelting work at Kyushu, Japan. The transportation costs roughly \$6 a ton, \$2.20 on the railroad, \$1 in the port of Tsingtao and the rest steamship freight, landing, etc.

This mine now is producing only about 150 tons a day, but the production could be brought up to 1,000 tons if desired. Estimates on volume of ore in this field range around a hundred million tons, although the proven volume is only about half this great. It is known that beds containing something like 20,000,000 tons lie so that mining will be cheap and comparatively easy. The quality of ore varies materially, but the average of quality runs high indeed. An

(Continued on page 70)



BRUNNER, MOND & CO., (China) Limited

Alkali Manufacturers & Importers of
all Classes of Industrial
Chemicals

Agents for:—

BORAX CONSOLIDATED LTD.
BRITISH DYESTUFFS CORPORATION LTD.
BROTHERTON & CO. LTD.
CASTNER KELLNER ALKALI CO. LTD.
CHANCE & HUNT LTD.
H. C. FAIRLIE LTD.
MOND NICKEL CO. LTD.
SCOTT & BOWNE LTD.
STEWARTS & LLOYDS LTD.
UNITED ALKALI CO. LTD.

Stocks Carried of:—

CARBONATE OF SODA (SODA ASH)
CAUSTIC SODA
BICARBONATE OF SODA
CALCIUM CHLORIDE
MURIATE OF AMMONIA
CHLORIDE OF LIME (BLEACHING POWDER)
BICHROMATE OF POTASH
BICHROMATE OF SODA
PURE NICKEL
NICKEL AMMONIUM SULPHATE
NICKEL SULPHATE
HYDROSULPHITE OF SODA

Head office: 12 Kiukiang Road, Shanghai

BRANCHES AT

Canton, Chefoo, Chungking, Dairen, Foochow,
Hankow, Harbin, Hongkong, Kiukiang, Peking,
Swatow, Tientsin, Tsinanfu, Wuhu, Vladivostok.

A Visit to Tsingtao

(Continued from page 37)

Yet it will be a thousand pities if the millions of dollars which have been invested in public works and public enterprises at Tsingtao are to be wasted for want of the funds necessary to maintain the claim of the port to be regarded as the finest modern city in China. It is capable under honest and efficient administration of almost unlimited expansion, and though far more has been spent upon it in recent years than has been justified by its actual commercial and industrial growth, it is capable of being developed into the finest and most important deepwater port in China.

The future control of the wharves is regarded as one of the most important of the numerous problems arising out of the rendition of Tsingtao to China. In the Washington Treaty the "wharves, warehouses, and other similar properties" are treated, not as public properties, but as "properties appurtenant to" the Shantung Railway. And though, at the first meeting of the Joint Commission at Peking it was agreed that the transfer of the wharves and godowns "should be considered by the first section of the committee dealing concurrently with that of other government properties," the Japanese commissioners have since insisted that in consenting to this course they had no intention of eliminating the wharves and warehouses from the securities for the treasury bonds issued for the repurchase of the railway. The Japanese attitude regarding the railway, it may be pointed out, has been most inconsistent. On October 2, 1914, when replying to China's protests against the seizure of the Shantung Railway, the Japanese Minister at Peking maintained that the railway was "of the same character as the leased territory. As to the governmental nature of the said railway, there can be no doubt." In the peace settlement, however, the railway was treated, not as "governmental" property, but as private property; that is to say, Germany was credited by the Reparations Commission with 53,406,141 gold marks for its surrender to Japan. The wharves have always been public property, and consequently Germany received no credit for them in the peace settlement. We therefore have the anomalous situation that whereas Japan is claiming from China the full sum credited to Germany in connection with the railway by the Reparations Commission, *plus* the cost of such additions and improvements as have been made during the Japanese occupation, she is claiming in respect of the wharves only such sums as have been spent for additions and improvements. In other words, though the wharves are dealt with, *financially*, as if they were public properties, for which no compensation is claimed, they are merged with the railway for the purpose of augmenting the security pledged by China for the redemption of the Chinese treasury notes delivered to Japan in payment for the Shantung Railway.

Even from the Japanese point of view I consider this procedure to be short-sighted. After rendition there will remain immense Japanese vested interests in Tsingtao the value of which can only be augmented or sustained by efficient municipal administration. I have already indicated that great difficulty will probably be experienced in maintaining and developing the roads, public works, afforestation, etc. of the leased territory towards the expense of which the railway, mines, wharves, etc. have contributed substantially in the past. Under Japanese rule the railway has been

treated as a branch of the civil administration, its surplus going towards the upkeep of the latter. That surplus, in 1920, exceeded two and a half million yen, and among the receipts credited to the railway were Yen 1,201,860 from the wharves, Yen 4,120,741 from coal, and Yen 105,150 from warehouses. The only other substantial sources of revenue were: "different Works at Tsingtao"—which I presume include receipts from government lands, Yen 1,634,045; electricity, Yen 545,008; abattoir, Yen, 270,778; waterworks, Yen 186,808; and postage, Yen 637,131. Such public utilities and enterprises as the power station, waterworks, and abattoir, are now to be transferred to the new Tsingtao municipality, and by it retransferred to commercial companies "to be formed under Chinese laws for the management and working of the said enterprises, subject to municipal regulation and supervision." It must be considered more than doubtful whether, under the new administration, these enterprises will yield anything like their former revenue to the local government. For apart from other considerations, such as the notorious inefficiency of the Chinese in handling public enterprises, the shareholders in these new companies will expect a considerable share of the profits hitherto turned over to the Japanese Civil Administration. The local government will, of course, cease to derive any revenue from the postal service when the Japanese post offices have been replaced by Chinese. The mines are to be converted into a Sino-Japanese Company, and are unlikely to contribute much, if anything, toward the cost of the Tsingtao administration. The wharves and warehouses, therefore, alone can furnish a reliable and steady income for the maintenance of Tsingtao, in addition to any sums that may be raised by local taxation and a percentage of the customs import duty, and yet the Japanese insist that the wharf revenues are to go to the railway. The solution of the wharf question advocated by the Associated British Chambers of Commerce, several years ago, was that "the organ for the control of harbor, docks, wharves, collection of customs duties" should be the Maritime Customs, and this, I think would, from every point of view, including the Japanese, be the most satisfactory arrangement to-day. The Japanese would do well to consider a solution on this basis in return for concessions from China in the form of an undertaking to continue to earmark twenty percent of the import duty "as a contribution to the expenses of the territory," and compliance with their request that the "free Customs Zone or bonded warehouse" be maintained. The latter, which is a great convenience to trade, would be much simpler to manage if the wharves and warehouses were under customs control. From the international point of view, also, the control of the wharves by the Chinese Customs, rather than by a Japanese traffic manager, would certainly be preferable.

I had not time to visit the salt-fields, those of which that are Japanese-owned are to be purchased by China "for fair compensation." I was, however, given figures purporting to show the area and output of the salt-fields in the leased territory in 1921. The area amounted to 13,734 acres, of which approximately half were Japanese-owned, ten firms and seven individuals being interested. The output for 1921 was stated to be 190,000,000 kin, or about 112,200 tons, of which only 26,000 tons came from the Japanese fields. The average annual output, however, is stated to be about 225,000 tons, and the actual exports in

1921 were approximately 200,000 tons. The saltfields were seriously damaged by the excessive rains of July and August 1921.

Other figures which may be of general interest relate to the area of and receipts from government lands. The total area is stated to be 5,765,845 *tsubo* inside, and 8,192,116 outside, the town, or about 11,000 acres in all. The revenue derived from government land and buildings in 1921 was Yen 330,106. Most of the government land that has been disposed of has been let on ten year leases, at the expiration of which it was intended to revalue and re-assess it.

Under the Washington Treaty Japan is entitled to retain such properties in the former German leased territory as are required for the Japanese consulate, and those required more especially for the benefit of the Japanese community, including public schools, shrines and cemeteries. It is difficult to identify certain of the properties which Japan proposes to retain in the lists which have so far been published, but there seems to be little doubt that one of them is the building now used as the headquarters of the Tsingtao Garrison and the civil administration department. The published list states that it is desired to retain "the Military Governor's Office," and this office is situated in the building in question. If this building is the one intended for the new Japanese Consulate it must be regarded as far larger than is necessary for that purpose. Situated on the side of Yawata Hill, and looking out over Tsingtao Bay, it was "Government House" during the German administration and is one of the largest and most imposing of the government buildings in the port. It is the natural headquarters of the local administration, used as such by the Germans and by the Japanese; and ought, I think to become the office of the new Municipality. There are other, smaller, public buildings, which would be much more suitable for a consulate, and cost much less for maintenance. The Military governor's residence, a palatial building erected at immense cost by one of the German Governors does not figure in the Japanese list of properties which it is desired to retain. I understand that its upkeep is far too costly, even for its present use, and a consul is unlikely to receive the emoluments, or to be expected to maintain the position, of the Military governor. It is likely to cause serious inconvenience if accommodation for the new municipality has to be found elsewhere than in the present military and civil offices, and one can hardly believe that Japan intends to maintain at Tsingtao a consular staff large enough to justify the retention of the present government headquarters.

Japanese residents in Tsingtao seem to be rather apprehensive regarding the spread of banditry into the leased territory after rendition. I notice that at the last meeting of the Sino-Japanese commission the Chief Chinese delegate protested against the kidnapping by bandits right in the center of the Tsingtao district of a Chinese millionaire, named Liu. It will be interesting to learn whether the said Mr. Liu has been detained within the leased territory, or carried off into the hinterland. The latter is stated to be infested with bandits, some number of whom, according to statements made to me by the Japanese, have already penetrated the territory, and are awaiting the opportunities which they expect will be furnished by the transfer to Chinese authority. That the city itself will be exposed to any serious danger from bandits may be dismissed as absurd. With so large a Japanese population, many of whom are perfectly capable of bearing arms and with

司公限有託信央中

號三十五路川四海上

務業種各險保蓄儲託信行銀理辦

德成嚴 理經總

THE CENTRAL TRUST Co., Ltd.

53 Szechuen Road, Shanghai.

Divided in to 4 departments each undertaking its particular business as follows:—

Banking Department:

Every description of banking business transacted.

Trust Department:

All kinds of trust services rendered.

Savings Department:

Current and fixed deposits received.

Insurance Department:

Fire and Marine Insurance Policies issued.

Yen Cheng-te, President.

THE CHUNG HUA TIMES

報新華中

Established in 1915, the Chung Hua Times (Chung Hua Hsin Pao) was the first newspaper in Shanghai that inaugurated the campaign of opposition against the monarchical regime of the late Yuan Shih-kai.

The Chung Hua Times, now published in its new home at Shantung Road and equipped with a rotary press, is **eminently readable** because of the extensive scope which its editorial's cover and which includes the discussion of international questions; because of the modernised system it adopts for the presentation of news; and because of the variety and the standardisation of its reading matter in addition to a wealth of news from the capital and the provinces.

The Chung Hua Times is the only Chinese journal that carries a daily Woman's Page and a daily English Section. The former serves to enlighten and uplift Chinese womanhood and the latter will be a boon to foreign students of the Chinese language, both spoken and written. There is also a daily department devoted to commercial subjects. The introduction of Western ideas and ideals will be a standing made feature.

If you are after results, Mr. Businessman, advertise in a popular journal like the Chung Hua Times. First-class advertising services guaranteed and rates very moderate.

Address: D. 167/168, Shantung Road,
Shanghai.

Telephones: Cent. 6412 and Cent. 6413

Chung Foo Union Bank

(Established in 1917)

Statutes approved by the Government in 1916

Head Office: TIENTSIN

Subscribed Capital \$2,000,000.00

Paid-up Capital \$1,500,000.00

Reserve Fund \$ 180,000.00

Managing Director: T. Clarence Sun

Deputy Managing Director: Nieh Chi-wei

Branches and Agencies in Domestic Cities and Foreign Countries:

Tientsin	Chinkiang	Ichang	Yokohama
Shanghai	Soochow	Changsha	Chicago
Peking	Wusieh	Shasi	Philadelphia
Hankow	Hsuehchow	Wuhu	Seattle
Nanking	Ningpo	London	Baltimore
Yangchow	Shaoshung	New York	Cleveland
Hangchow	Carton	San Francisco	Detroit
Pengpu	Hongkong	Boston	Buffalo
Changchun	Chengteh	Tokio	Pittsburgh
Antung	Chengchow	Osaka	Montreal
Kiukiang	Tsinkiangpu	Kobe	St. Louis
	Cincinnati		

And also in other principal cities in foreign countries.

Shanghai Branch:

S 441 Ningpo Road.

Every description of Banking and Exchange business transacted. Interest allowed on Current Accounts and Fixed Deposits in taels, dollars, and other currencies according to arrangement.

Credits granted on approved securities.

Y. B. Sun, Manager,
T. D. Zar, Sub Manager

告廣行銀孚中

本行額定資本二百萬元 實收資本一百五十萬元

公積金 十萬八千元

存款及放款 押匯 匯兌 定期 活期 通知 往來 可收存利息優

儲蓄 各種信託業務

總行設在天津法界 分行 北京前門大街 漢口散生路

上海分行 現在英界寧波路

代理國內外各埠票款證券股息等款收費極廉

普通特別三項本外埠均可并備有靈巧儲蓄盒存戶可以隨時領用

nothing to prevent them from forming a volunteer corps after the Shanghai, Hankow and Tientsin precedents. Tsingtao ought to be able to deal drastically and effectively with any armed raiders, however inefficient the Chinese administration may prove to be. There is, however, good ground for fearing that both at Tsingtao and at Weihaiwei, the lives and properties of foreigners and Chinese alike will be far less secure than they have been under the Japanese and the British administrations respectively. It constitutes a grave reflection upon the local Chinese administration that banditry and piracy are so rife in Shantung. The Commissioner of Customs at Tsingtao, in his report for 1921, records that "the recurrence of piracies along the coast of Shantung during the latter half of 1921" caused traders to resort to coast steamers in preference to junks, for the conveyance of treasure between Tsingtao and Haichow. Incursions into the leased territory of Weihaiwei by armed bandits from over the border, have been recorded on several occasions. And it will behoove the Chinese authorities to undertake drastic measures to clear the neighborhood of Tsingtao and Weihaiwei of these pests, when—if not before—rendition is effected. The entire Japanese garrison in Shantung, out of which only a few hundred men now remain at Tsingtao, is to be withdrawn, simultaneously if possible, with the transfer of the Leased Territory, or at the latest within thirty days thereof. China will be entitled to no sympathy if she ever permits conditions to prevail which necessitate the return of Japanese troops for the protection of the local Japanese community.

Of pathetic interest to Britons who visit Tsingtao is the small British War cemetery outside the town, where lie the remains of the ten N.C.O.'s and men of the South Wales Borderers, who fell during the siege. Their graves are situated on the edge of a gully used by the British Field Hospital during the final phase of the military operations, and are cared for by the local British community. In the same cemetery is the grave of P. S. Thornton, formerly assistant general manager of the Kailan Mining Administration, who died at Tsingtao while assisting in the despatch of Chinese laborers to Europe.

I may, perhaps, fittingly conclude this record of my impressions of Tsingtao, with a short account of a visit to the German fortifications, over which I was shown by Captain Yamamoto, of General Yui's staff. Under German rule, approach to any of the fortified areas was strictly "verboten," and consequently one of the pleasantest coast drives—that to Hui Chuan—was impossible. On this promontory was a powerful battery of guns pointing seaward. Several of them, heavily mounted in reinforced concrete, and with steel cupolas, still remain in position, though they have been rendered useless. The Germans succeeded in blowing up one gun before the surrender, and the muzzle now lies at the foot of the glacis, and the breach in one of the galleries behind the fort. The concrete chamber in which the gun was mounted, is a mass of tangled steel. Several hits appear to have been made on the concrete fortifications by naval guns, but little damage was done. From Hui Chuan we proceeded by a corkscrew road to the top of Illis Hill, whence one obtains a good view of the plain across which the Japanese and British forces advanced. Most of the guns from Illis, Bismarck and Moltke forts have been removed or destroyed. The fortifications, however, appear to have suffered remarkably little damage, considering the fact that according to Japanese statistics forty percent of the weight of ammunition employed

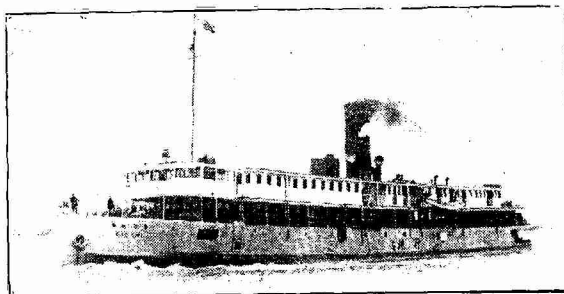
against Port Arthur was expended in the siege of Tsingtao. On the horizon one could see the hills which formed the outer defence of Tsingtao. The key to these outer defences—Eagle's Nest, on Prinz Heinrich Ber—was captured by the Japanese on September 28, 1914. The next line of defence consisted of a series of redoubts, five in number, extending across the plain from the outskirts of the present factory district to the coast a little beyond Iltis Bay. An ingenious feature of the defences was a continuous white wall, crossing the entire promontory, a little in advance of the redoubts. Searchlights from the latter, and from the main forts on Iltis, Bismarck and Moltke Hills could immediately locate any attempt to cross this wall and enable artillery and machine-gun fire to be concentrated on the assailants. The fort on Iltis Hill is of massive construction, with a veritable network of concrete galleries leading to the magazines, living rooms, and so forth. Only the portion of the garrison actually on duty occupied the fort in ordinary times, the reliefs being accommodated in less gloomy quarters close at hand. Each fort and redoubt had its own electric plant. I visited No. 3 Redoubt, where the main defences were first entered by the Japanese. It was surrounded by two belts of barbed wire, and an inner and outer moat. The defenders when in action occupied reinforced-concrete rifle and machine-gun galleries. In the middle of the redoubt was a substantial, well concealed, bomb-proof shelter, and near it the electricity plant. Although a total

of 2,590 shells fell in this redoubt, it suffered surprisingly little damage. Ninety shells fell in the actual firing line, but only a comparatively small proportion of the concrete parapet was destroyed. The bomb-proof shelter and power station were practically intact. And had the Germans fought with the same stubbornness here as in France the siege would have probably been prolonged for several weeks. From the military point of view the defence of Tsingtao cannot be considered to have been very brilliant or determined. But, also from the military point of view, there was nothing to be gained from holding out "to the last man and the last horse," because there was no hope of relief from any quarter, the overwhelming numerical superiority of the Japanese was bound to prevail, the garrison consisted largely of reservists and recruits, and it was obvious, even in 1914, that the ultimate fate of Tsingtao would be decided, on the battlefield of Europe. These and other considerations doubtless caused the Germans to refrain from the devastation of the city previous to its surrender. On the Japanese side the operations appear to have been conducted in a business-like manner. They had nothing to gain by forcing the pace, and their casualties—about 1,850, of whom 409 were killed—were not four times as heavy as the casualties of the garrison. I may add that Captain Yamamoto, who was present at the siege, and for a time was attached to General Barnardiston's staff, paid tribute to the accuracy of British maps of, and information regarding, the defences.

THE KIANGNAN DOCK & ENGINEERING WORKS

SHIPBUILDERS—BOILERMAKERS—DOCKOWNERS

SHANGHAI



Twin Screw Passenger & Cargo Steamer Specially Designed and Built for the Upper Yangtse Service between Ichang & Chungking

Dimensions:

Length.....	206'—0"
Breadth	31'—0"
Draft loaded	8'—0"
Mean Speed at Official Trial.....	15.6 Knots per hour.

This steamer is the tenth vessel of the well-known "Loong Mow" class built by the Kiangnan Dock, and the fifth built for Japanese interests.

Cable Address: SINODOCK

Telephone: C-1676
C-1678

牡丹牌紅茶



牡丹牌紅茶

For Your Daily Beverage

Why Not Use

Quality China Tea

Try Our

**“PEONY
BRAND”**

And you will be convinced of its

Distinctive Qualities

Produced By

THE CHINA TEA CO., LTD.

Tea Producers and Exporters

SHANGHAI, CHINA

Japanese-Operated Shantung Railway Today

(Continued from page 28)

The following is the translation of a bulletin recently issued by the Shantung Rehabilitation explaining the Kiaochow-Tsinan Railway to China:

“In the Washington Conference when the Japanese representative brought up the problem of the Kiaochow-Tsinan Railway, and demanded a sum as the price for the redemption of it, all Chinese people showed great patriotism, being willing and anxious to give their own money for the redemption of Shantung rights, and at the same time the formation of the institutions concerning the Shantung problem. At that time many prominent Chinese officials promised to subscribe big sums of money to shares. A list here may give us some idea about it: Tuchun Chi Shin-yuen of Kiangsu, Tuchun Tien Wei-lieh of Shantung, Tuchun Hsiao Yao-nan of Hupeh have promised \$3,000,000 respectively, Ex-Tuchun Feng Yu-hsiang of Shensi, Ex-Tuchun Chao Ti of Honan, Ex-Tuchun Cheng Kwang-yen of Kiangsi, \$2,000,000 respectively, Tuchun Chang Wen-sung of Anhwei, Tuchun Lu-Hong-tao and Civil Governor Pan Ngoh-lin of Kansu, Tuchun Li Hou-chi of Fukien \$1,000,000 respectively. Besides this total sum of \$18,000,000 there is still an uncertain amount which will be raised by both public and private bodies, who have been formed eagerly for this process.

“Since the ratification of the Chinese-Japanese agreement by both governments, the Chinese government with the demand of the people fixed the Kiaochow-Tsinan Railway as people-owned, people-managed and redeemed with money from the people. The various public bodies in Shanghai first established a special committee for preparation and planning the proceeding and savings for the redemption of the Kiaochow-Tsinan Railway and different provinces rapidly followed example. The committees established by legal bodies, and formally organized are many, for instance the committee for the redemption of Kiaochow-Tsinan Railway in Shensi, the committee for the Redemption of Kiaochow-Tsinan Railway in Hunan and others organized by local bodies of the various places by merchants and students. Owing to the wide territory of China and the tremendous number of people, a central committee is hardly to be established within a short period, but since we plan to redeem this railway, a central organization to manage the whole transaction is inevitable, therefore the office of the Rehabilitation of Shantung Rights decided to establish a temporary office for the preparation of organizing a Kiaochow-Tsinan Railway Stock Company, Ltd., in its offices, and on June 19, this was reported to the cabinet and the president and formally organized, and in June 22, proclaimed to the public by wire.

“The company organization, share subscription and saving regulations were sanctioned by the executive committee and went into effect. Since the establishment of the temporary office of the company everything goes on steadily, and several lakhs of copies of the regulations were printed and distributed nationally among all classes of people, asking for subscription, recording share certificates and receipts. The committee also appointed banks to collect subscription money in various places, advertisements inviting subscription to the shares of the company are published

(Continued on page 68)

CHOP OF



QUALITY

OREGON PINE

From the Forest to the Consumer

Sleepers-Bridge Ties-
Crossing Timbers-
Bridge Timbers-Mining
Timbers and General
Construction Lumber

THE ROBERT DOLLAR CO.

LUMBER YARDS

SHANGHAI-PEKING-TIENTSIN-HANKOW-NANKING

THE UNITED STATES DEPARTMENT OF COMMERCE IN A RECENT BULLETIN ENTITLED "ADVERTISING METHODS IN JAPAN, CHINA AND THE PHILIPPINE ISLANDS" HAD THE FOLLOWING TO SAY :: :: REGARDING :: ::

THE WEEKLY REVIEW

"Millard's Review of the Far East (now the Weekly Review) is the only weekly paper of any consequence in Shanghai. Its attitude is aggressively American; it is one of the most widely read English-language publications in China and has a considerable circulation among the Chinese. It should be included in any campaign directed at Americans and other English-speaking foreigners. Its circulation in China is about 5,000."

The official U. S. Government publication from which the foregoing is reproduced was issued on June 25, 1921. In addition to the **Review** there is also a report on other magazines and newspapers in China as well as in Japan and the Philippines. Copies of this report may be obtained from the American Commercial Attaché, either at the office in Peking or in Shanghai. Persons interested in advertising in China and the Far East should obtain a copy without delay.

The annual subscription rate for the **Review** is \$10 in Chinese currency, postage included. Orders may be sent to any book store or news agency in the Far East or direct to the publication office, No. 4 Avenue Edward VII, Shanghai. Orders for advertisements should be sent to the business office at No. 4 Avenue Edward VII, Shanghai.

THE WEEKLY REVIEW

SHANGHAI

J. B. POWELL, EDITOR
and PUBLISHER

Japanese-Operated Shantung Railway Today

(Continued from page 66)

in Chinese dailies regularly. Telegrams were sent to the various provinces asking persons who promised to subscribe to deposit their money in the banks, and those who have not yet subscribed, to write down the exact amount. All official and unofficial organizations, schools and prominent persons have written to the various places asking the people there to subscribe and to help solicit subscriptions to the shares.

"Up to the present we have received replies from Shensi and Anhwei stating that the people there would arrange to subscribe the amount they promised, and Wu Pei-fu of Loyang and the civil governor of Hunan, Chao Ti, have telegraphed to the company that they would do their best to help. We are telegraphing other provinces asking their assistance, and satisfactory replies are expected soon.

"Besides making every effort to encourage subscription to the shares according to the financial condition of the various classes, the office of the Rehabilitation of Shantung Rights has planned a salary saving scheme among government employees. The scheme is as follows: A five percent deduction will be made for two years on salaries of over \$100 a month. This five percent deducted money will be deposited in the bank and to be applied to the redemption of the railway. This plan went into effect in the Rehabilitation Office in June. When this scheme works out in the whole nation the amount obtained will be a big sum.

"The Chinese people are greatly excited in regard to the Shantung question and they show profound enthusiasm in the redemption of the Kiaochow-Tsinan Railway, which is an incentive to future success of our work.

Also the rehabilitation board announced the following plans as to the operation of the road after it passed into Chinese hands:

"Our object is to make the Shantung Railway a model line, well managed and free from corruption. We are most careful in choosing men for this railway, as only with good officers and staff can there be a good railway. Fortunately China has some years of railway experience. Though our railways are not so well managed as they should be, it is a fact that there are also good men on every railway, men who have good education and good railway experience. Of course, this is a difficult matter, as every railway wants to keep its best men. But if our efforts are successful, men with noble ideals see in this railway an opportunity to serve China more effectively than on any other railway and prefer joining us to staying where they are. And at present we have already with us a choice group of experienced railway men with excellent records, and we hope, on this foundation, to build up an efficient and honest administration and a model line.

Plans for Managing the Railroad.

"1. Rates shall be revised so that they will be fair and just to all shippers. No discrimination of any sort shall be allowed.

"2. Strict honesty on the part of the railway employees shall be insisted upon. Every care will be taken against corrupt practices which are so often found on Chinese government railways.

"3. The system of organization shall in general be the same as that adopted by the Chinese government for its railways, but important modifications will be made where efficiency and economy demand them.

Also obtainable in
handy slide packets of
ten cigarettes.



50 golden Virginia cigarettes

Here is a very convenient way to
buy Old Mill cigarettes. This tin of
fifty is sealed air-tight and moisture-
proof by a vacuum process.

Every cigarette, down to the last
one, is firm and fresh and full of flavour.

And Old Mill cigarettes are made
of high-grade golden Virginia tobacco
—nothing else. That's why they taste
so good.

Buy a tin today.

LIGGETT & MYERS TOBACCO CO., U.S.A.
Manufacturers

OLD MILL

CIGARETTES

Japanese Mining Operations Imbitter Chinese

(Continued from page 61)

analysis of an average sample, made by German chemists show 65 percent iron, .23 percent manganese, .03 percent of phosphorus and .08 percent of sulphur. Japanese analyses correspond with this.

Surface outcroppings in this field have been worked for several hundreds of years, a century and a half at least, by Chinese. The ore was melted by primitive methods and an exceedingly poor grade of iron produced for manufacturing farm tools.

The Germans were conducting extensive investigation work with a view to developing a mining business here prior to the war, but had not been able to realize their plans when they were forced to quit this district. Japanese development work dates from October 1916, and ore has been mined about four years. A spur from the main line of the Shantung Railway was constructed at a cost of about a million dollars, the distance being about four miles. The Japanese investment at the mines is about Mex. \$300,000.

The total output for 1921 was 88,204 tons. Official reports on sales show that 86,083 tons were sold, at Silver Yen 115,915 plus Gold Yen 373,698.

Chinese opinion is split as to whether China has won or lost in the character of settlement of the mining question as provided in the Washington agreement, which provides for operation of the three groups of mines (coal and iron), now owned by the

Japanese government, by a Sino-Japanese company. While many Chinese feel that such a company will be satisfactory to China since the Chinese will presumably have equal voice with the Japanese, others say that the Japanese will be able to work under cover and wholly control the company. One Chinese business man of Tsingtao who has quite a store of facts and figures on the Shantung affairs, says he knows absolutely that the Japanese already have made arrangements to get 70 percent of the stock in this company, placing part of their money in the name of Chinese who can be bought. This Chinese thinks it will be a constant fight to keep this company from Japanese domination and control. This depends largely upon how tight the Chinese delegates in the Peking conference are able to close all holes.

A brief history of the incidents of the Washington conference which brought about the agreement for a Sino-Japanese company to operate the mines is given by G. Zay Wood, member of the Chinese delegation to the Washington conference, who in a book on Shantung just published, has the following to say:

"By the Convention of March 6, 1898, Germany was given the right to operate mines in the Shantung Province. 'The Chinese government will allow German subjects to hold and develop mining property for a distance of 30 li from the side of the (Shantung) railway and along the whole extent of the lines.' Now by virtue of Article 156 of the treaty of peace signed at Versailles, 'all German rights in the Tsingtao-Tsinaifu railway, including its branch lines, together with subsidiary property of all kinds stations, shops,

(Continued on page 92)



行洋 Andersen, Meyer & Co., Ltd. 昌慎

ENGINEERS + IMPORTERS

Head Office — Shanghai

Branch Offices—Mukden, Peking, Tientsin

:: Tsinan, Hankow, Canton, Honkong ::





— DRINK —



Aquarius

THE KING OF TABLE WATERS

MADE WITH

PURE DISTILLED WATER

BOTTLED IN

QUARTS—PINTS—SPLITS

— ♦ —
THE AQUARIUS Co.

CALDBECK, MACGREGOR & Co., LTD.

GENERAL MANAGERS

4 FOOCHOW ROAD

SHANGHAI



TELEPHONE:
CENTRAL 7216 (4 LINES)



CHINA MAIL STEAMSHIP CO., LTD.

OPERATING THE
STEAMERS
"NANKING" "CHINA" & "NILE"

IN
FREIGHT & PASSENGER
SERVICE

BETWEEN
SAN FRANCISCO, HONOLULU
& ORIENTAL PORTS

PORTS OF CALL

SAN FRANCISCO
HONOLULU
YOKOHAMA
KOBE
*NAGASAKI
SHANGHAI
HONGKONG

* SS "NANKING" does not call at Nagasaki

PASSENGER FARES—SHANGHAI TO SAN FRANCISCO

SS "NANKING"	SS "CHINA"	SS "NILE"
<i>First Cabin</i>		
G\$269.00	G\$269.00	G\$269.00
G\$346.00		
G\$404.00		
<i>Second Cabin</i>		
G\$173.00		G\$173.00
<i>Third Class</i>		
	G\$135.00	

The above steamers connect at Hongkong with the Steamers "GORJISTAN" and "ARMANESTAN" in freight and passenger service between Hongkong, Amoy, Singapore, Batavia and Sourabaya.

For full information regarding freight and passage rates apply to

HEAD OFFICE

510 Montgomery Street,
San Francisco, Calif.

C.T. Surridge, General Agent, HONGKONG	F.R. Barrett, Agent, SHANGHAI
O.D. Martinez, Agent, SINGAPORE	S.R. Shepard, Agent, YOKOHAMA

Japan's Peaceful Penetration of Shantung

(Continued from page 17)

There are a few aspects of this question apropos of Japan's attempt at salt monopoly in Shantung. The first is the taking over of the salt fields by the Japanese. There has been a marked decline of the salt manufacture among the Chinese salt farmers of the coastal districts, where nearly all fields have either been commandeered or purchased by the Japanese at a very low price. The result is that, during the last few years, the revenue of the province, of which the salt tax forms a substantial part, has dwindled and serious losses have been sustained by the natives who because of lack of ample funds, have not been able to compete successfully with the Japanese salt companies in Kiaochow and Tsingtao. In 1920, about 400,000,000 catties of salt were sold by the Japanese in Chinese markets, with a profit estimated at 20,000,000 yen.

This leads to another aspect of the question. This huge profit is possible because of the notorious fact that no tax is paid on Japanese salt—a fact which at once explains why the revenue of the province has greatly dwindled. The Japanese have been openly shipping Kiaochow Bay salt into the interior of the province as far as Tsinanfu by means of the Kiaochow-Tsinanfu Railway, which has been under their control, paying no duty, whatever. This is obviously in violation of the regulations of China's salt administration, and highly detrimental to the interests of the native salt farmers who, as they are heavily taxed, are in no position to compete. The result is that the provincial government of Shantung has been deprived of many hundreds of thousands of dollars worth of salt tax every year.

An additional phase of the salt question is that, contrary to the original understanding which the Germans had faithfully observed during their days in Kiaochow, and contrary to the regulations of the Salt Administration of China, untaxed salt raised in the interior of the province along the mouth of the Yellow River has been systematically brought over the Shantung railway by the Japanese dealers and shipped out of the port of Tsingtao. Not infrequently, the salt thus exported is shipped back to Tsingtao and distributed in the interior free of duty.

At the Washington Conference, where "conversations" were held on the Shantung question, Japan's seizure of the Chinese salt industry was a subject of great importance and frequently discussed. As a solution of the problem, it was suggested that "the Chinese government would take over the industry, with compensation to the Japanese nationals who had become interested in it, and with provision for the export of a certain amount of salt to Japan"—a solution which, it was pointed out, "would meet all the legitimate interests of the Japanese and, at the same time, conform to the Chinese policy of treating salt as government monopoly." The Japanese delegates, while declining to give a definite figure as to the amount of salt to be yearly exported to Japan, insisted that the salt industry in Shantung, conducted by the Japanese, should not be interfered with, so that the export of salt would not be interrupted. At the thirty-first meeting of the Sino-Japanese "conversations," held on January 23, 1922, Baron Shidehara said:

"The Japanese government desired that all the salt interests should be retained in Japanese

(Continued on page 74)



The Mitsui

Cable Address:

"MITSUI"

Bussan Kaisha Limited

Capital: Yen 100,000,000

Reserve: 30,000,000

TSINGTAO BRANCH

PHONES:

1661—(Day & Night)

1662

1663

1664

731—(Thru wire to the Oriental Cotton Trading Co.)

Tokorozawa Machi

TSINGTAO, CHINA.

Manager: N. SAKURAI.

PRINCIPAL LINES OF BUSINESS:

Lumber, Coal, Cement, Flour, Sugar, Matches, Beer, Metals, R.R. Equipments, Mining Machineries, Lubricating Oils, and Other Raw Materials; Bean Cakes, Cow Hide, Oils, Cattle, Bones, Peanuts, Peanut Oils, Cotton Yarn, Cotton Goods, Cotton, Etc.

Agents for Principal Companies of Marine & Fire Insurance.

SOLE AGENTS FOR:

DAI NIPPON BEER BREWERY CO., LTD
KAIPING COAL AND COKES,

THE ONODA CEMENT WORKS,
THE ORIENTAL COTTON TRADING CO., LTD. (agency for)

(MITSUI & CO., LTD. IN EUROPE AND AMERICA)

IMPORTERS AND EXPORTERS

Shipowners and Shipbuilders

Head Office: TOKYO, JAPAN.

Branches:

HOME—Yokohama, Nagoya, Osaka, Kobe, Otaru, Muroran, Hakodate, Niigata, Moji, Wakamatsu, Kuchinotsu, Nagasaki, Karatsu, Miike, Taipeh, Keelung, Tainan, Takow, etc., etc.

ABROAD—London, Marseilles, Lyon, Hamburg, New York, San Francisco, Seattle, Portland, Ore., Buenos-Aires, Manila, Bombay, Calcutta, Karachi, Singapore, Bangkok, Rangoon, Soerabaya, Batavia, Semarang, Sydney, Melbourne, Hongkong, Canton, Amoy, Foochow, Shanghai, Chefoo, Hankow, Changsha, Tsingtao, Newchwang, Tientsin, Dairen, Antunghsien, Mukden, Tieling, Chungchun, Vladivostok, Harbin, Seoul, Chemulpo, Fusan, etc., etc.

交 通 銀 行
BANK OF
COMMUNICATIONS

Specially authorized and made a
Government National Bank by
Presidential Mandate, April 7,
1914 and October 31, 1915.

CAPITAL: Kuping Tls. 10,000,000

Head Office, Peking

President Chang Chien

Vice-President Y. M. Chien

Branches:

Metropolis: Peking, Tunchow. Chihli Province: Chao Yang, North Tung Chow, Chih Fong, Pao Ting Fu, Hai Tien, Sheng Fang, Jehol, Shih Chia Chwang, Kalgan, Shun Ta Fu, Lan how, Tang Shan, Tientsin. Shansi Province: Feng Chen, Kuei Hua Chang, Ta Tung Fu. Shantung Province: Chefoo, Ssao Chwang, Lung-kow, Tai Nan Fu, Tsi Nang Chow. Anhwei Province: An-king, Hsuan Cheng Wuhu, Ho Fai, Peng Pu. Manchuria: Chang Chun, Kirin, Feng-Tien, Liao Yang, Harbin, Sun Chia Tai, Hol Lung Chiang, Tieh Ling, Kinchow, Yingkow. Honan Province: Chang Te Fu, Kwei Te Fu, Tseng Chow, Hain Haiang, Chiao Tso, Lei Ho, Chow Chia Kew, Shin Yang Chow, Kai Feng Fu, Tao-kow. Chekiang Province: Hang Chow, Ningpo. Hunan Province: Chang Sha, Keng Chow, Siang Pan. Hupeh Province: Hankow, Ichang, Shasi, Kiangsu Province: Hsu Chow, Soochow, Nanking, Tsing Kiang Pu. Shanghai, Wusih, Yang Chow, Kiangsi Province: Kiukiang. Szechuen Province: Chungking. Abroad: Hongkong, Singapore, Tokyo, Japan.

Every description of Banking and Exchange business transacted.

INTEREST allowed on Current Accounts and Fixed Deposits according to arrangement.

CREDITS granted on approved securities.

SPECIAL FACILITIES for Transfers to all Parts of China.

Shanghai Branch, 14, The Bund

Manager, Y. M. Chien

**Sub-Managers, T. S. Wong
T. D. Woo
S. T. Huang**

**Japan's Peaceful Penetration
of Shantung**

(Continued from page 72)

hands." This desire was, however, not insisted upon. After much deliberation, the Chinese and the Japanese reached this solution, which was finally embodied in the Shantung Agreement: "Whereas the salt industry is a government monopoly in China, it is agreed that the interests of Japanese subjects or Japanese companies actually engaged in the said industry along the coast of Kiaochow Bay shall be purchased by the government of the Chinese Republic for fair compensation, and that the exportation to Japan of a quantity of salt produced by such industry along the said coast is to be permitted on reasonable terms." The details incident to the transfer of the industry are left to the joint commission to be appointed by Japan and China.

Of all the weapons of economic penetration which Japan has had at her disposal in Shantung, none has proved to be of such usefulness to her as the numerous post offices which she has maintained in the province. For the last fifty or sixty years, foreign post offices or postal agencies have been established in the principal treaty ports in China. The opening of these establishments was not based upon any treaty provision, but tolerated by the Chinese government, for the reason that China had not during the early eighties, a postal system of her own. In 1896, a Chinese postal system was organized under the auspices of the Chinese Maritime Customs. In 1911, a postal department was created, placed under the ministry of communications, and entirely detached from the customs service. In 1914, China joined the Universal Postal Union. And to day, the Chinese post office functions more efficiently than those foreign postal establishments in China—a fact which is generally admitted by all the foreign residents in the Far East. In spite of this proved efficiency on the part of the Chinese post office, the foreign powers have continued to maintain their establishments in the treaty ports. For the last few years, the foreign postal establishments have been steadily increasing instead of decreasing, and this steady increase is confined exclusively to Japanese offices. Without taking into consideration the numerous establishments which Japan has maintained in Manchuria and Mongolia, Fukien and other parts of China, we need refer to her postal agencies in the Shantung province alone. Military field post offices were established during the attack upon Tsingtao, which, after the cessation of hostilities, were converted into regular Japanese post offices. We have today in the entire province no less than twenty-three Japanese post offices and agencies.*

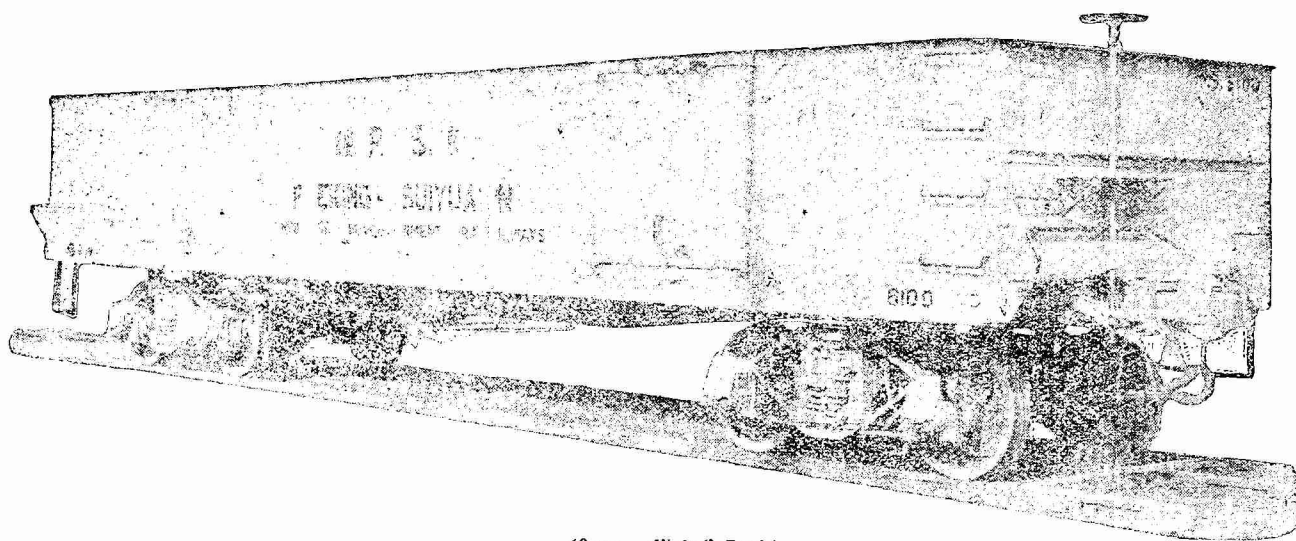
How these postal establishments have been made use of is a story that shows Japanese penetration clearly at work. Japan had at first claimed that owing to military requirements she had to have field offices to handle the Japanese mails. When this excuse could not longer hold good with the conclusion

*There are at Chefoo one post office and three letter offices; at Tsinan, one post office, three letter offices, two box offices; at Changtien, one military field post office; at Weihien, Fangtze Kaomi, Tsingchowfu, Poshan, one post office each; and Hungshan and Kiaochow, one post office and one box office each; and at Chowtsun three letter offices.

Alien postal agencies in China there are at present 150 altogether. The United States has 1; French, 13; Great Britain, 12, and Japanese 124.

(Continued on page 76)

All the world over



40-ton, All-Steel Gondola

The General American Car Company, numbering among its patrons concerns in every country, serves all nations, as it serves all industries. In applying the best principles of American car building practice to the varying needs of different peoples, General American engineers have naturally become unusually expert in adapting construction to suit foreign conditions.

Large repeat orders from Chinese Government Railways testify to the standing of General American cars in the Orient. The above is a 40-ton, all-steel Gondola, with 80,000 pounds capacity, built to the specifications of the Ministry of Communications.



The responsibility of the Company is well-known in all commercial and financial centers. Consultation with the Company's engineers entails no obligation. Write any of the addresses below.

太
康
洋
行

GENERAL AMERICAN CAR CO.

General Office: Harris Trust Building, Chicago, U. S. A.

SALES OFFICES:

17 Battery Place, New York; 24 California Street, San Francisco.

Cable Address: "Gentankar, Chicago." All Codes.

References: Any International Banker.

Far Eastern Office:

Peking, 36 Ma Shih Ta Chieh

Cable Address: "FOWLERCO—PEKING"

GENERAL AMERICAN CARS

The Bank Of Canton, Limited

INCORPORATED 1912.

CAPITAL AUTHORISED £1,200,000-0-0

CAPITAL PAID-UP £1,066,520-0-0

RESERVE FUND H. K. \$800,000.00

HEAD OFFICE:

No. 6 Des Voeux Road Central,
Hongkong.

OFFICES:

Shanghai, New York, Canton and
Bangkok.

SHANGHAI OFFICE:

No. 1 and 2 Ningpo Road.

AGENCIES:

Honolulu	Singapore
London	Samarang
Manila	Kobe
Yokohama	Batavia
San Francisco	Canada
Sourabaya	etc.

Interest allowed on Current Accounts and Fixed Deposits according to arrangement.

Every description of Banking and Exchange business transacted.

WONG WEN-KUANG,
Manager.

Japan's Peaceful Penetration of Shantung

(Continued from page 74)

of the war, she claimed that they should be made into regular offices to handle the mails for Japanese residents in the leased territory. On March 26, 1917, an agreement was concluded, fixing the provisional procedure concerning Sino Japanese postal and telegraphic operations in the leased territory of Kiaochow and along the Kiaochow-Tsinan Railway. In return for the right "to continue to open one post office and telegraph office at Tsingtao," Japan was "to continue to open one post office within each of the railway station zones at Tsinan and Wei-hsien along the Kiao-Tsi Railway." When it was discovered that Japanese merchants and soldiers were scattered all over the province, this fact was seized as an excuse for providing further "postal facilities" for them. The result is that today Japanese postal establishments along the entire Kiaochow-Tsinan Railway are ubiquitous. The Japanese have made use of them, not only as merely postal agencies through which mails to or from Japan are handled, but also as safe channels through which smuggling on a large scale of narcotic drugs has been carried on. It is important to remember that Japanese post offices and agencies in Shantung are not subject to the supervision of the Chinese customs service, and while Chinese authorities are supposed to have the right to inspect all incoming mails from abroad, this right has never been insisted upon with Japanese mails. Taking advantage of this generous treatment, Japanese postal establishments in Shantung have lent themselves to the carrying on of illicit traffic. It should also be noted that, aside from the sinister use made of them, the presence of such large numbers of Japanese postal agencies in the province deprives China of a large amount of legitimate revenue, violates her administrative entity, and hampers the working of the Chinese post offices. Fortunately, the general agreement reached at the Washington Conference to abolish foreign post offices in China may hasten the day when this obnoxious practice becomes a thing of the past.

Enough has been said to show that the picture of "Shantung as seen from within" is not a pleasant one. The Japanese have penetrated so far and so deeply that even after they have departed, their footprints will still remain visible. Much is to be trusted to the Shantung Agreement, reached at the Washington Conference, to get the Japanese out of the province, bag and baggage. Much more is to be trusted to the patience and industry of the Chinese people themselves to obliterate those traces of foreign aggression and to make the Shantung province an unstained spot on the map of China.

The Opium Smoker's Convenience

(Continued from page 45)

"Art. 5. No person is allowed to possess opium in contravention of this ordinance.

"Art. 6. No person is allowed to smoke opium except those persons who are certified by doctors as chronic opium smokers and thereby officially permitted to smoke opium.

"Art. 7. Any person intending to smoke opium should obtain permission to do so from the competent Gendarmerie Officer-in-Charge by submitting an application, stating name, age, address and occupation.

"Art. 8. An opium-smoking License, the *Pro Forma* of which is attached hereto, shall be issued by the Gendarmerie Station concerned to a person whose

opium smoking has been permitted by the authorities.

"Art. 9. If a licensed smoker relinquishes the smoking habit or changes his address, he shall inform the fact to the Gendarmerie concerned within five days.

"Art. 10. In case of decease or disappearance of a licensed smoker, the house-owner or his representative shall inform the fact to the Gendarmerie without delay.

"Art. 11. Prior to importation of opium, the licensed opium-dealer shall obtain permission to do so from the Authorities by submitting an application, stating particulars such as quantity, prime cost, provenance, and vender.

"Art. 12. Opium for sale shall be put in small cases and sealed with stamped labels. The type of such opium cases and the *pro forma* of the stamp label shall be presented to the Authorities for approval beforehand.

"Art. 13. The sale of prepared opium shall be officially fixed.

"Art. 14. The licensed opium dealer shall not sell opium to any person who has no opium-smoking license. When the licensed opium dealer sells opium he shall enter the date, quantity, and the price of sale in the opium-smoking license produced.

"Art. 15. Licensed opium dealers shall keep books for recording particulars of opium, imported, prepared and sold and enter therein distinctly the amount of opium purchased, sold, and stock on hand.

"Art. 16. Any person violating Rules laid down in Arts. 3, 6, and 9 shall be punished with a fine under fifty Yen.

"Art. 17. The violation of the rule under Art 12 is subject to the punishment of a fine under two hundred Yen.

"Art. 18. The offender against the rule under Art. 4 or Art. 5 is liable to a fine not exceeding five times the value of the opium which he has imported, prepared, sold or possessed.

"Art. 19. The opium, the opium-smoking utensils, or poppy possessed or kept by any person in contravention of this Ordinance shall be confiscated."

The Opium-Smoking License

- a. This Licence is available to the (date).
- b. When the term expires, the smoker shall apply for its renewal, if he intends to continue smoking.
- c. The quantity for daily consumption is fixed at candareens.
- d. The quantity purchasable at one time shall not exceed that required for consumption in three months' time.
- e. This Licence is not allowed to be lent to, nor the opium purchased to be given to, other persons.
- f. This Licence is to be produced for inspection whenever asked for by the officials concerned.
- g. Declaration shall be made within five days if a licensee ceases to smoke opium or changes his address.
- h. In the case of the death or the disappearance of the holder of the Licence the fact should be reported to the Authorities concerned by the house-owner or his agent at once.

Date (Sgd.) (seal)
IN CHARGE
(Name of District.)
Gendarmerie Station.

International Banking Corporation

Capital U. S. \$ 5,000,000

Surplus & Undivided Profits . . U. S. \$10,424,763

Owned by the National City Bank
of New York.

Head Office:
60 WALL STREET, NEW YORK

London Office:
36 BISHOPSGATE, E. C.

Lyons Office:
27 PLACE TOLOZAN

San Francisco Office:
232 MONTGOMERY STREET

BRANCHES:

CHINA

SHANGHAI
PEKING
TIENTSIN
HANKOW
HARBIN
HONGKONG
CANTON

INDIA

BOMBAY
CALCUTTA
RANGOON

JAPAN

YOKOHAMA
KOBE

JAVA

BATAVIA
SOURABAYA

PHILIPPINES

MANILA
CEBU

SPAIN

BARCELONA
MADRID

STRAITS SETTLEMENTS

SINGAPORE

DOMINICAN REPUBLIC

SANTO DOMINGO
SANCHEZ
SAN FRANCISCO de
MACORIS
SAN PEDRO de MACORIS
SANTIAGO
PUERTO PLATA
BARAHONA
LA VEGA

PANAMA

PANAMA
COLON

We are also able to offer our Customers the services of the Branches of the National City Bank of New York in the principal countries of South America, Central America and in the West Indies.

Commercial and Travellers' Letters of Credit, Bills of Exchange and Cable Transfers bought and sold. Current accounts opened and Fixed Deposit in local and foreign currencies taken at rates that may be ascertained on application to the Bank.

H. C. Gulland, Manager.

1A Kiukiang Road,
SHANGHAI

Shantung's Peanut Oil Leadership

SHANTUNG stands first among the provinces of China in the production of peanut oil, and the oil business is almost exclusively in the hands of Japanese. The industry is old but has expanded extensively since Japanese occupation of the German territory of Kiaochow and along the Shantung Railway.

The estimated normal crop of peanuts in the province is 250,000 tons, although last year the production was far under this figure, Yellow river floods cutting the crop in the river districts by 30 or 40 percent. Accurate statistics are not kept but the 1921 crop estimates were: Kiaochow Bay district, including South Shantung, 95,000 long tons; Tsinan district, 93,000 long tons; total, 188,000 long tons.

Customs figures show exports of peanuts, shelled and unshelled and oil from Tsingtao for 1921 (in piculs) to be as follows:

To	Shelled nuts	Unshelled nuts	Oil
Japan	388,312	66,004	1,731
U. S.	13,725	795	0
Hongkong	6,940	861	60,172
Chinese ports	800,269	21,916	251,963
Great Britain	3,596	5,254	110,766
Germany	32,054	3,075	11,822
Netherlands	26,304	10,544	1,695
Belgium	10,080		
France	10,860	17	1,698
Italy	16,800	267	

From unshelled nuts about 65 percent (in weight) of shelled nuts is procured, and from shelled nuts about 36 percent of oil.

Approximately 55 percent of the production is for export and the rest for China port consumption, Shanghai being the principal purchaser among the China ports. Relatively little oil is extracted in Tsingtao, the total extraction here being only about 2,400 tons. Two more oil mills are projected and when completed they will produce about 4,000 tons annually.

Formerly much of the Shantung oil went to the United States but the emergency tariff duty of 20 cents a gallon placed upon the import of this product into the United States served to bar it. (This duty, effective May 29, 1921, was for a period of six months, but the time was extended and the duty still is effective pending the permanent arrangement of the American tariff regulations.) At present most of the oil goes through Japan even when it is intended for use in other countries.

The oil business was started in German times, its introduction to the European markets dating from 1907, although some years before that date limited quantities had gone to Japan and Hongkong. When oil was introduced on the European market the demand grew rapidly and the industry thrived. Pre-war shipments were for the most part to Marseilles and Germany. Most of the business was in the hands of German firms then although Japanese were taking a hand in the business to some extent even before the termination of German sovereignty.

Most of the oil is extracted by primitive methods, although one modern expeller is in operation. Oil from native mills is generally poor in quality, and

this fact, to some extent, accounts for the development of the refining industry. Exporters found it far more profitable to refine the oil than to market it in the poor condition in which it came from the native mills. There are more than a dozen refineries in the district, operated by Japanese.

The following table shows the exports from Tsingtao since 1915, (in tons):

Year	To Japan	To Korea and Formosa	To China ports	To Other Ports	Total
1915	1,964	—	5,604	—	7,568
1916	9,135	18	24,945	26	34,124
1917	8,876	24	19,565	101	28,566
1918	20,620	15	13,582	439	34,656
1919	45,989	108	11,215	526	57,838
1920	41,250	80	34,157	3,310	78,797
1921	26,047	230	48,765	15,837	90,879

In Tsingtao I heard the complaint from Chinese that the Japanese who export Shantung peanuts send them first to Japan, where they are hand picked and graded, the choicest ones going to foreign markets, where they are sold as Japanese products, and the inferior ones being made into oil. This complaint came to me first from a Chinese connected with the nut business. He was much concerned because the pick of the crop, as he said, is sold as a Japanese product and the inferior nuts marketed as a Shantung product. He was most solicitous about the development of shipping lines which would enable the Shantung people to sell their products direct to the American and European markets.

The nuts grown in Shantung are superior to those produced in other places in China but the Chinese do not grow high grade nuts, largely because farmers pay too little attention to proper seed selection. Because of their poor size only a limited part of them are suitable for table use. The inferior quality also explains the fact that the total production of oil is far below what it should be. Suitability of soil gives Shantung great opportunities in the production of oil.

Because of their firm hold on the peanut oil industry and because of their established channels of trade, easily established largely because of proximity of Shantung to Japan, the Japanese are confident they will continue to control this business irrespective of political changes which may come. Several Chinese who wish to break the Japanese hold, at least to the extent of giving other nationals an even start, advocate the investment of American and Chinese capital in conjunction, arguing that the American experience in industrial organization and Chinese knowledge of local conditions would combine to lend such an organization strength.

The market for American machinery in connection with this industry will be of consequence, as long as the industry continues to enjoy a healthy growth. Reports from Japanese sources are to the effect that oil refining has been highly profitable during the Japanese administration.

A limited portion of the oil is used for the manufacture of soap, the Shinsho Yoko plant, occupying property that formerly was German owned in the Great Harbor district, standing out prominently in this business.

THE NORTH-CHINA DAILY NEWS

SHANGHAI, CHINA

(Established in 1870)

The NORTH-CHINA DAILY NEWS writes the history of China. It records the pulse of its politics ; it reports the conditions of its finance and its markets; and it chronicles the daily doings of its people.

The greatest purchasing power in China is that possessed by readers of the "North-China Daily News." It is the newspaper which is found in every office, consular or commercial; it is the newspaper most frequently quoted both by the foreign and vernacular press, and it is the one newspaper which combines a quality with a quantity circulation, being largest both in size and circulation in China.

Subscription: Mex. \$28 per annum, in Shanghai.

U.S. \$25 per annum, including postage to U.S.

THE NORTH-CHINA HERALD

(Established in 1850)

Is the weekly edition of the "North-China Daily News" for readers abroad. It contains 95 per cent. of news and is the best medium for keeping in touch with events in China when out of daily reach of the "North-China Daily News."

Subscription: U.S. \$9 per annum, including postage.

*Copies of the above publications will be sent to anyone interested,
with audited circulation statement.*

For information relating to everything Chinese
Address The Secretary, North-China Daily News & Herald, Ltd., Shanghai.

The Amos Bird Co.

SHIPPERS OF

"KEITH'S EGGS"

Frozen Whites

Frozen Yolks

Frozen Whole Egg

Dried Whites

Dried Yolks

Dried Whole Egg

TO AMERICA AND EUROPE

HEAD OFFICE & SALES OFFICE
72 So. Market St., Boston, Mass., U.S.A.

SHANGHAI OFFICE:

1 Tengyueh Road

SHANTUNG AGENCIES AT

TSININGCHOW
TAIERCHWANG
TSAOCHWANG

AGENCIES PROVINCES OF
KIANGSU CHEKIANG
ANHWEI HONAN

Tsinanfu-Japanese Business There to Stay

(Continued from page 18)

upon which representation would be the same for Chinese and foreigners, including Japanese, representation being based upon property holdings. When I asked if that would not mean a Japanese government in effect, they declared not, that the Chinese representation would be too large for that. However, they admitted that conditions such as exist at present as to property holdings would give Japanese the whole say for foreigners, that Americans and British would be without representation. This matter was stressed in the interview because since my arrival in the province I had been told by many foreigners that so called internationalization would mean in effect Japanese control because of the large holdings Japanese have acquired by leasing and, later buying from the Japanese government, property which formerly belonged to the German government.

This group of men reported that it was not contemplated that the large new Tsinanfu hospital representing an approximate million dollars of Japanese government money, should be turned over to the Chinese but that it was planned to have it taken over by "some charitable organization of Japan" and continued as a Japanese institution. The meaning of such a large hospital for so small a Japanese community has been much discussed in foreign circles.

International support is given to the proposal to continue the free zone at the port of Tsingtao, in any event. This group of Japanese business men were strong for this and said Chinese business men as well as those of other nationalities were also. Americans want it.

While these men refused to commit themselves as to the price they thought Japan should ask from China in settlement of the Shantung question, they declared they were hopeful as to the possibility of a settlement, saying they would like to see their own government as liberal as possible because that would result in a favorable sentiment which would help them in their business dealings with the Chinese. They declared that ill feeling had not been apparent to the extent of materially harming them in their business, but immediately after making this statement they talked at some length in Japanese, which I could not understand, and then, apparently by agreement, they explained through the interpreter that in certain portions of Tsinanfu, portions of the city especially advantageous for industrial sites because of water supply, Japanese are kept out by the Chinese. In the same connection they explained a Chinese proposal to have Tsingtao operated on what is called a "self-opened basis," which means the exclusion of foreigners from property owning, they said. They voiced strong opposition to such a proposal.

While these Japanese carefully, and perceptibly, avoided saying anything that could be construed as reflecting unfavorably upon the Chinese, they repeatedly brought in suggestions that they feared the railroad would be less efficiently operated by the Chinese and that the squeeze system might be introduced to the detriment of business in general. They mentioned cases on Chinese operated roads, cars never were available except when the railroad promoting people got their "cumsha."

Mention was made several times of public improvements by the Japanese government made "for the purpose of benefitting China and Chinese development."

What seemed to be disappointment was expressed when these Japanese business men inquired of me why Americans had not come to Shantung more since the Japanese era started. They seemed to be much interested in the question of how much Americans might be expected to come in the event that Tsingtao were made an international port and entire political control of the rest of the province were restored to China.

They said plans were progressing for the organization of a company to take over the mines as provided for in the Washington agreement. They stressed the necessity for extending the Shantung Railway line west from Tsinanfu to connect with the Peking-Hankow line and of constructing a branch line from Kaomi, near Tsingtao, to Hsuehchow, tapping the southern part of Shantung province. Japanese had concessions for these roads before the Washington Conference.

While these men explained they were not authorized to express views for the Japanese government in any way, they declared they were expressing what they considered the views of Japanese business men in general. This statement they made when they spoke of their plans for continuing with the leadership of commerce in this province. For the most part they seemed quite confident that they could do this, although once or twice they expressed themselves by saying: "That is our hope."

From other foreigners, particularly Americans, I gained the impression that the Japanese are so thoroughly entrenched in business here they will be quite safe and secure in their economic domination regardless of any Shantung conference or conferences. They admit that they are here to stay, and others expect them to stay.

From almost every one with whom I talked I heard the statement that broadly speaking the Japanese had shown a different attitude in Shantung since the Washington Conference. From prominent Chinese business men I have heard the same thing. Several Japanese have stated to me over and over that they see the necessity of taking Chinese sentiment into consideration, that they reckon with the value of good will in business.

Most Japanese say there has not been a great deal of evidence of unfriendly feeling toward them on the part of the Chinese, but in numerous cases such statements have been followed with explanations that at times such feeling has made itself manifest. Only a few hours before the business men with whom I talked in Tsinanfu told me that they saw or felt no pronounced feeling against them I had seen a little naked Chinese boy in the street spit upon a well-dressed little Japanese girl. Whether it was merely a mischievous trick of a poorly trained waif or whether it was an expression of feeling among the common people readers may judge. The incident occurred in a Chinese section of Tsinanfu through which a number of Japanese school children happened to be passing as I went by.

浙江地方實業銀行 THE CHEKIANG INDUSTRIAL BANK, LTD.

Established 1908

Capital	...	...	...	...	\$2,000,000.00
Reserve Fund	...	...	...	...	206,400.58
Undivided Profits	...	...	...	...	120,751.00

Head Office and Branches:

Hangchow, Shanghai, Hankow,
Haimon and Lanchi

Domestic Agencies:

Throughout China's Principal Cities

Foreign Correspondents:

London, Paris, Rotterdam, New
York, Hamburg, Brussels, Tokyo,
Yokohama, Hongkong, Chicago and
Seoul.

BANKING DEPARTMENT

Foreign Dept.

Savings Dept.

Every description of banking and
exchange transacted. Interest allowed
on Current and Time Deposits in Taels,
Dollars, and Foreign currencies.

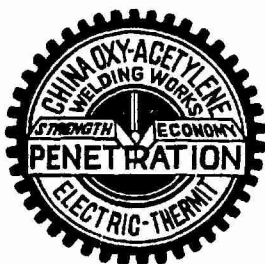
SHANGHAI BRANCH

14 Hankow Road

Telephone: C. 7130 Manager's Office
Tel: C 7121-7124 Private exchange to
all Departments

Telegram address:
"Chindubank, Shanghai"

LI MING,
Manager.



FUSION WELDING

Better, Stronger joints at
Lower Cost—Marine Repairs
and Boiler Welding with
the Oxyweld and Electric
Process

CRACKS BETWEEN STAYBOLTS

WELDING

{ STAYBOLTS
CRACKS BETWEEN STAYS
MUD RINGS
THROAT SHEET
TUBE SHEET

RUDDER FRAME. STERN POST, HULL.

TANKS

The Fusion Welding Process Saves Costly Delay in
Repairs to Damaged Machines

WE HAVE STOCK

"SUPERIOR" Welding — Cutting — Electric
Equipment—Acetylene Generators

Oxygen—ACETYLENE
WELDING RODS

CHINA OXY-ACETYLENE WELDING WORKS

ENGINEERS AND MANUFACTURERS
Shanghai, China, 1 Yuen Ming Yuen Road.

Right Prices—Superior Service

German Railway Rights in Shantung

(Continued from page 22)

At the outset some difficulty was experienced in overcoming local prejudice and acquiring the necessary land for the line from private owners. But subsequently the syndicate, in consultation with the representatives of the native owners, fixed a scale of compensation that gave satisfaction to both sides.

Another difficulty, or at least a considerable inconvenience was experienced in connection with the landing of railway material. At this time the harbor works were not sufficiently far advanced to be utilized for unloading purposes, consequently steamers had to discharge their cargo in the open roadstead. Later on the Boxer troubles stopped all work, and considerable damage was done to such portions of the line as had been completed.

Nevertheless, the first section between Tsingtao and Kiaochow, a distance of approximately 45 miles, was opened on the April 1, 1901, and on of June 1, 1902, in accordance with the company's original undertaking the line was completed as far as Weihshien. Tsinanfu was reached early in 1904.

The length of the main line of railway is 394 kilometres (about 246 miles); the branch line to Poshan is 59 kilometres, or 35 miles long, giving a total length of approximately 280 miles. The line is a single track, but the earthworks have been constructed to admit a double track when the developments of the future demand it. The 1.435 metre (4" 8½") gauge has been adopted.

The route taken was singularly free from engineering difficulties, cuttings being required in a few cases only, while tunnels were nowhere necessary. The chief difficulty, as with most Chinese railways, arose in connection with the bridging of the numerous water-courses, which vary so considerably in volume at the different seasons of the year. The total cost of the line was 52,901,226 marks, or approximately £9,500 a mile.

It is somewhat early perhaps to speak with certainty of the commercial prospects of the line. As on other Chinese railways, the passenger traffic is considerable, and at first the receipts from this source far exceeded those arising from goods traffic. But the latter began to show signs of improvement with the completion of the line to Tsinanfu, and since that time a steady advance has been maintained, so that at the present time passenger traffic is responsible for one-third and goods traffic for two-thirds of the total receipts of the railway.

The following tables give the figures for the first seven months working since the completion of the line, and for the year 1905, which are the only statistics available.

Profit and Loss Account 12th June to 31st December 1904.

Dr.	Marks Pf.	Cr.	Marks Pf.
Working expenses	848,231.35	Gross receipts	1,651,167.50
Carried to depreciation account	500,000.00		
Net profit	302,936.15		
	1,651,167.50		1,651,167.50

Profit and Loss Account. 1st January to 31st December 1905.

Dr.	Marks Pf.	Cr.	Marks Pf.
Working expenses	1,484,197.02	Gross receipts	3,806,339.56
Carried to depreciation account, etc.	351,213.40		
Net profit	1,970,929.14		
	3,806,339.56		3,806,339.56

Though the margin of profit here shown is small, only representing in 1905 a return of between 3 and 4

THE — GRAND HOTELS LIMITED

Travellers in Shantung will assure
themselves of the best
accommodations and
the most comfort if they

Make Reservations in Advance at

GRAND HOTEL —Tsingtao
GRAND ANNEX
STRAND HOTEL
SEASIDE VILLAS
RAILWAY HOTEL —Tsinangfu

Under management of

T. HERLIHY.

(The Shantung Railway Dining Car Service is
under management of The Grand Hotels, Ltd.)

Codes
A. B. C. 5th
Bentley's

Telegraphic address
GRANDOTEL

percent on the capital invested, there is every reason to suppose that the railway will ultimately show a fair earning capacity. It must not be forgotten that the enterprise is in its infancy, and that the line traverses a country the resources of which are virtually undeveloped; that its terminus is at a port endowed by nature with excellent harbor accommodation, and that it will ultimately be connected with the projected trunk line between Tientsin and Nanking. In the same connection mention should be made of two further projected developments. It has been proposed to construct two cross lines connecting the two trunks—the projected Tientsin-Nanking Railway and the Ching-Han line. The more northerly of these would run from Tschowfu, a point near the north-west boundary of Shantung, approximately one-third of the way between Tsinanfu and Tientsin, to Cheng-tingfu. The southern connection would leave the Tientsin - Nanking line at Yen-chau, a similar distance south of Tsinanfu, and proceed to Kaifengfu, where it would join the Kaifengfu-Honanfu-Hsianfu Railway, (1) which crosses the Ching-Han line a little south of the Yellow River.

Germany has been very anxious for some time past to secure the concession for the construction of these lines. So far, however, the German Minister has only succeeded in arriving at an understanding with the Chinese government to the effect that in the event of the Chinese government deciding upon their construction and requiring the assistance of foreign capital, German capitalists will be allowed the first refusal of the concession. A glance at the map is sufficient to indicate the commercial importance of these railways to Shantung and Tsingtao. Apart from the general development that would result with unbroken rail communication between Chengtingfu and Tsingtao, the latter would prove a formidable rival to Tientsin as the port of entry for Shansi, while the southern extension would put Tsingtao in a position to compete with Hankow as the port of entry for the distant province of Shensi.

Turning now to the other two lines, forming the remaining sides of the triangle of railways originally projected in Shantung, there is at present but little to record. The right to construct the line between Tsinanfu and Ichowfu, as will be explained in more detail shortly, was resigned by the Shantung Railway Company in favor of the Anglo-German Syndicate, which was formed to undertake the construction of the Tientsin-Nanking Railway.

In regard to the southern fork from Kiaochow to Ichowfu, the preliminary surveys have been made, but the idea of undertaking the work has been abandoned, at least for the time being.

So much for the purely German railway rights in Shantung. Before quitting the subject, however, it is important to note the advance of the port of Tsingtao since the German occupation, and to endeavor to form some idea of the possibilities of the province. On the latter point the view of Baron von Richthofen, the eminent geologist, to which he gave expression at the time of the occupation, may with advantage be reproduced.

"The coal of Shantung is of good quality, black and hard, burning with a clear flame, and making excellent coke; it has great heating power. But the beds lie low, and in consequence the pits are soon flooded, as the natives do not understand how to keep the water down.

1. Post, Chap. XVII, p. 171,

(Continued on page 85)

THE BANK OF CHINA

(Specially authorised by Presidential
Mandate of 15th April, 1915)

Authorised Capital	\$60,000,000.00
Paid-up Capital	12,279,800.00
Reserve Fund	3,534,600.00
Special Reserve Fund ...	3,534,600.00

Head Office: PEKING
Shanghai Branch: 3 Hankow Road
Branches throughout China

Foreign Correspondents:

<i>London:</i>	London Joint City & Midland Bank, Ltd. Lloyds Bank, Ltd.
<i>Paris:</i>	Banque Nationale de Credit
<i>Berlin:</i>	Deutsche Bank
<i>New York:</i>	Irving National Bank Chase National Bank Guaranty Trust Co.
<i>San Francisco:</i>	Anglo & London Paris Nat. Bank Wells Fargo Nevada Nat. Bank Crocker National Bank
<i>Tokyo:</i>	Dai Ichi Ginko, Ltd. Sumitomo Bank, Ltd.
<i>Osaka:</i>	Sumitomo Bank, Ltd.
<i>Yokohama:</i>	International Banking Corp.

CONNELL BROS. COMPANY.

Cable Address:—"CONNELL" All Codes

71 SZECHUEN ROAD,
SHANGHAI

Importers Merchants Exporters

We solicit enquiries from responsible
concerns throughout the world.

WE IMPORT

General Merchandise

Provisions

Flour

Wheat

Fresh Fruits

Paper

Leather, etc.

WE EXPORT

Seeds

Nuts

Beans

Flour

Fresh Eggs

Tea

Oils

General China Produce

**Offices at San Francisco, Seattle,
Hongkong, Manila and Singapore.**

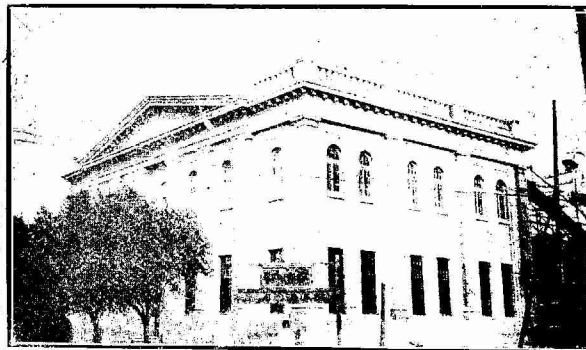
Cultural Aspects of the Japanese Occupation in Shantung

(Continued from page 20)

are three Japanese dailies in Tsinan, one of which is published in Chinese; and at least three dailies in Tsingtao, one of which also appears in Chinese. In addition, we have the recently launched the *Tsingtao Leader*, published in English. These periodicals are already a force; and if conducted in a sane fashion, they will become more powerful still. As long as the editor of the *Tsinan Rih Pao* suffered from occasional spasms of foul-mouthed vituperation, the Chinese laughed at him; but since he has acquired some decent manners, his paper has risen in prestige.

Some of these dailies use methods that are modern and progressive. Since June 22, 1922, the *Tsinan Rih Pao* has been publishing in Tsingtao a *Tsingtao Supplement to the Tsinan Rih Pao*. This supplement consists of one sheet, one page devoted to advertisements and the other to the latest Tsingtao news. It is sent by the night express to Tsinan, where it is distributed together with the *Tsinan Rih Pao* the following morning. If for any reason the supplement does not make the night express, the Tsinan office puts the following hand bill in its main paper:

"Because the *Tsingtao Supplement* failed to make the night express, it will reach Tsinan this evening on the 6:40 o'clock express. A copy of the *Supplement* will be sent by the distributors to the



Spacious New Building of the Tsinanfu Branch of
the Yokohama Specie Bank

home of each subscriber; those buying it on the street, can secure their copy at this office this evening at 7 o'clock.

"The *Tsinan Rih Pao* Mailing Department."

During the Chili-Fengtien civil war, the students of Shantung Christian University, two years ago the leaders of the boycott in Tsinan, requested that the *Tsinan Rih Pao* be put in the library reading room for them to read. They put the request upon the ground that, having reporters in the field, this daily gave both the most accurate and the latest news. What the *Tsinan Rih Pao* is doing for the capital of Shantung, the *Tsingtao News* does for the province's principal port.

As to the dailies published in Japanese, we need not say much; it is to be expected that Japanese editors would look after the needs of their own nationals. But these needs are looked after well; at least as far as they concern Japanese cultural and economic interests. Lying beside me on the table, there is a copy of the *Shantung Special* put out by the *Tsingtao News* (Japanese edition) on June 10,

at the time of Mr. Obata's visit to the port. This special consists of thirty-eight pages with 200 illustrations of property and persons (mostly Japanese) in Shantung of special interest to the Japanese reading public. Although the quality of the paper used is poor, this *Shantung Special* is most interesting.

And now comes the *Tsingtao Leader* to supply news to the English speaking foreigners. Both the editor, trained in two American universities, and the business manager speak good English and are real gentlemen. If this periodical proves to be, as its management promises, an impartial critic of affairs in the Far East, it can render a valuable service. As now organized the Japanese press is serving up the news according to national tastes; to the Japanese in their native tongue, to the Chinese in easy Wenli and to the Anglo-Saxons in English.

We see, then, that in Shantung the Japanese are failing in their religious propaganda, but are succeeding with their hospitals, schools and press. Now that the soldier and the official both like grains of sand in a ball-bearing box, are to go, or have already gone, these cultural forces will more and more suck the life blood out of the anti-Japanese movement and leave Japan more than ever the cultural and economic competitor of the West.

Until China's economic, financial, social and industrial activities are more thoroughly modernized, or in other words, until the business man, the coolie and the peasant learn to say, "k'uai, k'uai ti" instead of "wan pu liao," so long will the more modernly organized Japanese culture make a place for itself in Shantung. Instead of discouraging them, this should drive the Chinese to take their place by the side of Japan, if not ahead of her. Or to state it differently in the words of one who put it bluntly, "It is now up to the Chinese."

German Railway Rights in Shantung

(Continued from page 83)

In the fields of Poshan Sien, however, the formation of the ground is more mountainous, and it is possible to work the beds with natural drainage. The objection here is the want of wood for supports. It would not be possible to work the other beds without considerable preliminary expenses for pumps, etc.

"In the winter months Kiaochow is the natural outlet for the trade of North China; in the summer months Tientsin is the most convenient port of access. If, however, Kiaochow is made the terminus of a line to Peking and North China, the advantage to the province of Shantung will be immense. The chief reason why it is so little developed is the difficulty of access. It is desirable to conduct a line as soon as possible by way of Tsinanfu to connect with the future Peking-Hankow Railway—that would be a distance of about 500 kilometres.

"The principal point is that the Power which possesses Kiaochow will control the coal supply in Northern Chinese waters. It is quite out of the question that Shantung will form a German colony in the proper sense of the word. The territory is already overcrowded, and immigrants from Shantung are the main element of the new population of Manchuria. Europeans cannot compete with Chinese labor. It is out of the question that Germany should acquire a large territory in Shantung, and thereby become involved in all sorts of complications. Our object should be the industrial development of China."

EQUITABLE EASTERN BANKING CORPORATION

行 銀 通 大

Capital U. S. \$2,000,000

Surplus & Undivided Profits U. S. \$ 800,000

HEAD OFFICE:

No. 37 Wall Street, New York
Members American Bankers'
Association

Correspondents:

The Equitable Trust Company
of New York

NEW YORK LONDON PARIS

Mercantile Trust Co., San Francisco, Cal.,
The North-western National Bank of
Portland, Ore., Citizens National
Bank, Los Angeles, Cal.

SHANGHAI BRANCH:

1 Kiukiang Road

Telephone Central 1164—Manager
Central 2012—General
Central 1140 (T. T. Dept.)

Current and fixed deposits accepted

Interest rates on application

Telegraphic transfers bought and sold

Drafts bought, sold and entered for collection

Travelers letters of credit, travelers cheques
and commercial letters of credit issued

JAS. J. ROGERS }
E. C. FUNCK } Managers

Valuable Books on China

List price

Wood: The Twenty-one Demands: Japan versus China	\$ 5.00
Tyau: China Awakened ..	12.50
Wood: China, The United States and the Anglo-Japanese Alliance.. ..	5.00
High: China's Place in the Sun	4.38
Reinsch: An American Diplomat in China	10.00
Wood: The China-Japanese Treaties of May 25th, 1915	5.00
Kemp: Chinese Mettle.. ..	7.50
Lansing: The Peace Negotiations (A personal narrative)	8.15
Reid: China Captive or Free?	7.50
Weale: The Truth about China and Japan	6.25
Gamble: Peking, a Social Survey	8.75
Vinacke: Modern Constitutional Development in China	5.00
M. T. F.: My Chinese Marriage	4.20

**Mention this advertisement and get
20 o/o Discount off List Prices.**

Write to us for your supply of
Imported Books

COMMERCIAL PRESS, LTD.

SALES OFFICE

2nd Floor

C453 HONAN ROAD

SHANGHAI

Food for Misunderstanding

(Continued from page 23)

statesmen are looked upon as a part of Japan's espionage.

With all this how could Japan's Manchurian policy be achieved? In short, her wrong policy only provided other powers with excellent opportunities for satisfying their financial ambitions. What service did the Twenty-One Demands render? No more than to promote Mr. Okuma from count to marquis, while at the same time other powers secured good profits. Thus the policy of the Orientals is betrayed again.

But the long-pending question of Shantung actually came to an end, and the privileges secured by the Japanese in Manchuria are also to be declared relinquished. The day has a bright dawn, but whether there will be sunshine or rain now is hard to determine. Being aroused by the Washington Conference the ice-packed field of anti-Japanese feeling began to thaw, and the negotiation over the details of the Shantung settlement will determine the final outcome. Will the field melt down or freeze again? This is a question which is watched with anxiety.

Egotistical and partial views are not worthy of attention. We must judge the situation from a broad and impartial point of view. We do not desire to see a display of clever diplomatic skill at the Peking Conference; we only desire heart friendship between China and Japan. This affords an opportunity which is expected to bring a renewal of intimacy between the two nations. The ministries of the two countries are reorganized to appear to fulfill our expectations, but on committees are the same old-fashioned fellows that create our suspicion as to the settlement of the matter to the satisfaction of intelligent observers of the two countries. Foreign policy hereafter must be rooted in the consensus of public opinion, otherwise it will be a castle in the air. This idea is especially important in the foreign policy of China and Japan which is the root of all Oriental civilization.

In this point, monarchy or republic matters but little; the important thing is the favorable combination of China and Japan. Fortunately, however, Mr. Kato, the new Japanese premier is a statesman provident in thought, securing popularity at the Washington Conference. We trust that he, as the prime mover in Japan, will make her navy good enough to protect her, not only her, but all the Far East even in the face of the limiting and reduction of armament. But we hope that she will establish her new policy toward China mainly on a financial basis; that is to say give up a policy of territorial expansion and adopt one of market expansion.

China will gladly supply Japan with materials for varied industries and also be glad to be the market for the articles produced if the latter's attitude so deserves, but with the present condition it is impossible to trust Japan at all. Has Baron Kato, new Japanese premier, courage enough to radically renounce the Twenty-One Demands and be so faithful to his post as to take steps necessary for the advancement of mutual interests between China and Japan? This is the cynosure for many intelligent Chinese eyes. Delay in taking the steps referred to means that profits remain with other powers, which means that for both spilt pills will not return to the bottle.

At such a significant juncture careful introspection by Baron Kato and adoption of decisive measures by him are earnestly looked for.

Mining Rights in Shantung

(Continued from page 26)

1. Area enclosed within a triangle drawn from Ichoufu east to the Yellow Sea and South to Kiangsu.

2. Area within a radius of 120 li (40 miles) round Ishuihsien.

3. Area enclosed within lines drawn from a point ten li north-west of Chu-ch'eng along the 36th degree of latitude east to the German leased territory and from the same point to the sea.

4. Area within a radius of 50 li around a place north of the Wen river, 100 li southwest of Weihsien.

5. Area within a radius of 250 li from the Treaty Port of Chefoo.

The fifth zone, as a reference to the map will show, comprised the whole of the leased territory of Wei-hai-wei and of the zone granted to England by the convention of July 1, 1898. The demand for the cession of the British mining right to Germany was an act the friendliness of which was questioned, whereupon it was arranged between the Provincial authorities and the German Syndicate that the text in the draft agreement should be amended.

Germany insisted that her claim to exclusive mining rights within five zones was indisputable—Wei-hai-wei, near which a British Company had secured rights for gold mining, only being excluded—the sole point admitting of discussion being the question of royalty and taxation, and of the length of the tenure.

An agreement was arrived at with the Shantung Mining Bureau in 1908. The Sino-German Railway Company was given the exclusive right for two years to prospect and mine in five areas. The company was to be allowed to select seven areas of thirty square li each. Actual mining was to begin within six months of issue of the mining permit. Purchase of shares was to be open to Chinese and Germans on the same terms, and when the Chinese capital should reach 100,000 marks a Chinese director-in-chief enjoying equal power with the German director-in-chief was to be appointed by the Shantung Mining Bureau. The company was to be privileged by exemption from likin but not from Customs duty and production tax. Signature of the agreement was to "cancel all former discussions."

The Wei-hsien coal-field, the first mentioned in the Kiaochow Convention, was prospected by borings and gave disappointing results. The beds were found to be broken and isolated into pockets by granite intrusions. One mine working two seams about fourteen feet thick was started at Fangtzu, having an output which reached 273,000 tons in 1909-10, since which date operations have ceased, partly on account of the war.

The Poshan field, served by a short southerly branch of the Tsingtao-Tsinanfu Railway, fully justified the optimism of Baron Richthofen on its behalf. Coal mining in this field had been carried out by the natives for many years before construction of the railway. Mines at Tsu-chuan worked with foreign machinery supplied by a British firm had been closed in 1891. This machinery was moved to the foot of Hung Shan and part of it used for pumping in 1898, with considerable stimulation of the native industry. The cost of transport by wheel-barrows however, amounting to twelve cents per ton per li, restricted the commercial possibilities of the coal to a very small area, so that though costing only about five

(Continued on page 89)

THE WING ON CO. (SHANGHAI) LTD.

The Largest
Department Store
in the Far East

NANKING AND
CHEKIANG ROADS
SHANGHAI, CHINA

Outport orders
carefully and
promptly executed

Fresh Grocery
stocks monthly

Rock-bottom prices
prevail in every
Department

UNITED STATES STEEL PRODUCTS COMPANY

30 Church St., New York, U.S.A.

Sole Exporters of the Products of

Carnegie Steel Company

Illinois Steel Company

American Steel & Wire Company

American Sheet & Tin Plate Company

The Lorain Steel Company

American Bridge Company

National Tube Company

Tennessee Coal, Iron & Railroad Company

Minnesota Steel Company

Canadian Steel Corporation

Chickasaw Shipbuilding and Car Company

BRANCH OFFICES and REPRESENTATIVES IN

Antwerp, Belgium

Birmingham, England

Bombay, India

Brussels, Belgium

Buenos Aires, Argentine Republic

Calcutta, India

Christiania, Norway

Concepcion, Chile

Glasgow, Scotland

Havana, Cuba

Johannesburg, South Africa

Lima, Peru

Los Angeles, California

London, England

Mexico City, Mexico

Montreal, Canada

New Glasgow, Canada

New Orleans, La.

Peking, China

Port Elizabeth, South Africa

Portland, Oregon

Rio de Janeiro, Brazil

Rome, Italy

Rotterdam, Holland

San Francisco, California

Santiago, Chile

Sao Paulo, Brazil

Seattle, Washington

Shanghai, China

Soerabaya, Java

Sydney, New South Wales

Tokio, Japan

Toronto, Canada

Valparaiso, Chile

Vancouver, Canada

Winnipeg, Canada

WAREHOUSES AT

Antwerp, Belgium

Bombay, India

Buenos Aires, Argentine Republic

Calcutta, India

Callao, Peru

Port Elizabeth, South Africa

San Francisco, California

Santiago, Chile

Sao Paulo, Brazil

Talcahuano, Chile

Valparaiso, Chile

We give prompt attention to inquiries for all classes of our Steel Products, including the following:—

AERIAL TRAMWAYS—Reversible, specially designed

ALLOY STEEL

ALLOY STEEL SHEETS

AMMONIA CYLINDERS

ANGLES

ARMATUR SHEETS

AXLES—Locomotive, Railroad and Tramway Cars

BAMBOO STEEL

BARBED WIRE

BARS—Steel, Concrete Reinforcement

BILLETS

BLACKS SHEETS

BLOOMS

BOILER TUBES, LAPWELDED, SEAMLESS

BOLTS AND NUTS

BRIDGES—Railway, Highway, specially designed

BUILDINGS—Steel Warehouses, Structural Steel for Buildings

CABLES—Steel Hoisting & Hauling Cables

CARS—Steam Railway, Mine and Industrial Railway Cars

CAR ANGLES

CAR WHEELS

CIRCULAR STEEL POLES

COLD ROLLED FLAT WIRE

COPPER RAIL BONDS

COPPER STEEL SHEETS

DERRICKS

DRILLING MACHINES

DRILLING RIGS FOR OIL WELLS

DUGUESNE RAIL JOINTS

ELECTRICAL SHEETS

ELECTRICAL WIRES AND CABLES

FABRICATED STRUCTURAL MATERIAL FOR BRIDGES, TURNTABLES, STEEL BUILDINGS, ETC.

FENCING MATERIALS—Wire Fencing Steel Posts

FORGINGS

FROGS AND SWITCHES—Steam and Electric Railways

HOOPS AND BANDS

MACHINE FORGINGS

MINE TIMBERS

NAILS AND SPIKES

NAIL WIRE

PIG IRON

PILING—Steel Sheet

PIPE—Black and Galvanized Wrought, for Steam, Gas and Water, American or English Threads, Lapwelded and Seamless Boiler Tubes, Matheson Lead Joint Pipe, Seamless Steel Tubing

PLATES—Boiler, Tank, Ship, Flange and Fire Box Steel

POLES—Steel Tubular

RAILS—Light and Heavy Rails for Railways, Tramways, Mine and Industrial Railways. Special Track Work

REINFORCEMENT FOR CONCRETE—Triangle Wire Mesh

RIVETS

ROPE—Wire for Mine Hoists, Derricks, Cranes, etc.

SCREW SPIKES

SCREW STOCK—Cold Drawn

SHAFTING

SHAPES—Standard Structural

SHEET BARS

SHEETS—"Apollo" Brand, Plain, Galvanized, Corrugated, Black

SKELP

SLABS

SPIKES—Railway Track Spikes

SLEEPERS—Steel

SPRING STEEL

STEAM PIPE AND TUBES

STOVE PIPE SHEETS

SWITCHES—Switch Stands

TANK PLATES

TERNE PLATES

TIN MILL PRODUCTS

TIN PLATE—"Coke," "Charcoal" and "Terne"

TOOL STEEL

TOWERS—Steel

TRIANGLE MESH CONCRETE REINFORCEMENT

TUBES—Gas, Water, Steam

TURNTABLES FOR LIGHT AND HEAVY RAILWAY SERVICE

UPHOLSTERY SPRINGS

WASHERS

WEATHERPROOF INSULATED TELEPHONE AND SIGNAL WIRE

WHEELS—Solid Wrought Steel for Steam, Electric, Mine and Industrial Railways

WIRE PRODUCTS—Plain, Galvanized, Bright Hard, Bright Soft, Baling and Fencing. All Classes of Coated and Uncoated for Manufacturing Purposes

The Combined Actual Annual Ingot Production of our Manufacturing Companies for the year 1920 was in excess of 19,000,000 tons.

SHANGHAI OFFICE

Union Building—1 Canton Road

PEKING OFFICE

No. 22 Wu Liang Ta Jen Hutung

TOKYO OFFICE

No. 15 Nakadori, Marunouchi

Mining Rights in Shantung

(Continued from page 87)

dollars per ton at the pit's mouth, the selling-price at Tsinanfu, about fifty miles distant, was twenty dollars.

Mining was started by the Germans at Ilungshan at the north-eastern end of the field in 1904. The coal is high in ash, a common fault in the Chinese product, but in practice it is good for steaming purposes. Being almost smokeless it was commonly used by German warships in the East as a substitute for Cardiff coal. Some seems to produce a good hard coke. The output from the three shafts in 1913 was 414,000 tons. This mine has stopped on account of the war.

About eight miles to the north-east of the Chang Tien junction of the Poshan branch with the main line are the important iron-ore deposits of Tieh Shan which furnish ore for the Chinlingchen iron works. Investigation of the Tieh Shan iron deposits was first made by the Germans in 1903. Bulk samples were found to assay 65 percent iron with .03 percent phosphorus and .08 percent sulphur. Supplies estimated at fifty million tons were found, of which twenty millions were favorably situated for cheap operation. It was decided by the Shantung Railway Company, which had in the meantime combined with the Shantung Mining Company, to start iron mining in 1915 and to erect two 150-ton blast furnaces at Tsingtao.

The result of geological and prospecting research by the Germans proved the province to be far poorer in mineral resources than was expected from the exaggerated Chinese reports. Existence of important gold, silver, lead and diamond deposits had been alleged; but native estimates, magnified no doubt by traditional fallacies as to value of mineral deposits, failed to stand the test of scientific investigation. The Wei-hai-wei gold deposits, after being worked for a short period by a strong British Company, were abandoned in 1906. The ancient Chao Yuan mine, forty miles south-west of Chefoo, was worked for a time under foreign supervision and 200,000 tons of ten-dollar ore developed, but proved disappointing in depth. Efforts have also been made to work gold mines at Ping-tu, Tengchou and T'ung Tsing but without success. At Ping-tu mine, equipped with a 20-stamp mill and rock-drills under an American staff, a quartz-vein 4-12 ft. thick was worked from 1886 to 1889. In two years 1,500 tons of concentrates were raised, but at a depth of 300 feet the ore-body was found to be too poor for profitable working. A stamp mill and plant were erected by a German firm at Maochan, thirty miles from Chefoo, but operations resulted in considerable loss to the capitalists concerned.

The most important coal-field in Shantung is that of Yih sien, worked at Tsaichuang by the Chung Hsing Coal Company. The mine is connected by rail with the Tientsin-Pukow Railway and also with the Grand Canal at Taierhchuang. The company was started in 1880 as a Chinese concern. In 1898 German capital was admitted, and the company granted a concession to mine with machinery over a field 100 li in circumference and to build a railway to the Grand Canal. Modern electrical and other machinery has been supplied by German firms which also provided the material for construction and equipment of the railway. In 1908 the German shareholders were bought out and the capital increased to 2,200,000 taels, of which the Provincial government holds 100,000 taels. The capital has now been increased to 3,500,000 taels, and the company operates eight shafts. The output in 1919 was about 250,000 tons, of which a considerable

(Continued on page 91)

For Pleasure and Profit READ ABOUT CHINA

An American Diplomat in China, by Reinsch - - - - -	8.00
China Awakened, by M. T. Z. Tyau -	10.00
China, an Interpretation, by J. W. Bashford - - - - -	9.00
The Awakening of China, by Dr. W. A. P. Martin (A limited number of copies left, at) - - - - -	5.00
Sea Power in the Pacific, by Bywater -	10.00
The Mastery of the Far East, by Brown - - - - -	12.00
Foreign Rights & Interest in China, by Willoughby - - - - -	15.00
The Chino-Japanese Treaties, by Zay Wood - - - - -	4.00
China in the United States, by Zay Wood - - - - -	4.00
The Twenty-one Demands, by Zay Wood - - - - -	4.00
The Status of Aliens in China, by Koo	5.00
An Outline History of China, by Gowen - - - - -	5.00
Modern China, by Sih-Gung Cheng -	7.50
The Oriental Policy of the U. S. A. by Chung - - - - -	4.00
China the Mysterious & Marvellous, by Murdock - - - - -	6.00
In the Eyes of the East, by Greenbie	7.00
The Gateway of China, by Gamewell	4.00
The Economic History of China, by Lee - - - - -	9.00
The Land Tax in China, by Huang -	3.00
The Foreign Trade of China, by Cheng Su See - - - - -	7.50
Trading with Asia, by Eldridge - -	7.00
The Ethics of Confucius, by Dawson	6.00
Profiles from China, by Tietjens - -	2.50
170 Chinese Poems, by Waley - -	5.00
More Translations from the Chinese, by Waley - - - - -	4.00
Fir Flower Tablets, by Ayscough & Lowell - - - - -	6.00
Outlines of Chinese Art, by Ferguson	8.00
The Beginnings of Porcelain in China, by Laufer - - - - -	8.00
The Diamond, by Laufer - - - - -	4.00
The China Year Book, 1921-2 - - -	10.00
Japan Year Book, 1921-2 - - - -	8.00
The Statesman's Year book, 1922 - -	11.00
Handbook for China, by Carl Crow -	4.00
Audacious Angles on China, by Elsie McCormick - - - - -	3.00
Unexpurgated Diary of a Shanghai Baby, by Elsie McCormick - - -	2.00

Chinese American Publishing Co.
THE AMERICAN BOOKSHOP
25 Nanking Road Shanghai

ASIA DEVELOPMENT Co., LTD.

司公^商業建^美洲亞



ENGINEERS & CONTRACTORS

Head Office: SHANGHAI, CHINA

3 Canton Road—Cable Address: DVELOPASIA

DEVELOPMENT ENTERPRISES OF ALL KINDS

Roads, Railways, Tram Lines, Bridges, Port Works, River and Canal Improvements, Buildings, Industrial Plants, etc.

部之橋門之運經路甯至濟築東在公爲下
份一基汀泗河過所馬濟南由所山司本圖



Concrete Foundations of Bridge across the Grand Canal at Tsiningchow, Shantung,
in Connection with Road Constructed by the Asia Development Co

Mining Rights in Shantung

(Continued from page 89)

proportion was used for coke. The company's management seems to be a bright exception to the want of efficiency and foresight so often found in Chinese mine administration.

Tsingtao capitulated to a British and Japanese force on November 7, 1914. This was not the first occasion on which Japan had shown an active sense of the value of Shantung, for in 1896 she had been permitted to occupy Wei-hai wei as a guarantee of performance of the stipulations of the Treaty of Shimonoseki. After consolidating their position in Tsingtao Japanese forces assumed control of the German railway to the boundary of the German leased territory, and finally assumed control of the railway as far as Tsinanfu. The Japanese War Office immediately despatched a party of mining men, including the assistant manager of the Fushan Colliery, to visit the Poshan, Hungshan and Chinlingchen mines. The essential parts of the machinery were found to have been removed and some of the works in the case of the Hungshan mine flooded. Steps were taken for the immediate working of the mines, machinery being supplied from Fushan for the purpose. Borings were then undertaken by the Japanese Railway Administration with a view to determining the extent of the Chinlingchen deposits.

As a result of the twenty-one demands made by Japan, China was constrained to exchange notes on May 25, 1915, having special reference to Shantung. Articles 1, 2, and 3 read as follows:

Art. 1.—The Chinese government agrees to give full assent to all matters upon which the Japanese government may hereafter agree with the German government relating to the disposition of all rights, interests and concessions which Germany, by virtue of Treaties or otherwise, possesses in relation to the province of Shantung.

Art. 2.—The Chinese government agrees that as regards the railway to be built by China herself from Chefoo or Lungkow to connect with the Kiaochow-Tsinanfu Railway, if Germany abandons the privilege of financing the Chefoo-Weihshien line, China will approach Japanese capitalists to negotiate for a loan.

Art. 3.—The Chinese government agrees in the interest of trade and for the residence of foreigners, to open by China herself as soon as possible certain suitable places in the province of Shantung as commercial ports.

In 1916 the Siems-Carey Company, a combination of American interests, secured a contract for the dredging of the Grand Canal. As a result of Japanese protest based apparently on the ground that at the end of the war German rights under the Kiaochow convention and other agreements would devolve in part at least upon Japan, the Siems-Carey Company was induced to admit of Japanese participation in the loan to be floated for financing the work. In doing so the Japanese contention that she will succeed to the rights of Germany has received some sort of unofficial American acquiescence.

The willingness of as staunch an opponent to the granting of exclusive rights as America to cooperate with Japan, partly no doubt with the indirect object of defeating Chinese obstruction to the furthering of development in her own interests is eloquent evidence of the exasperation with which foreign business interests regard the obstruction and want of foresight with which Chinese industrial policy continues to be directed.

WORLD-WIDE

TRAVEL

Rail and Steamer Tickets at Regular
Tariff Rates

BAGGAGE INSURANCE

HOTEL RESERVATIONS

BANKING

Exchange Bought and Sold

Current rates of interest paid on
deposits in Taels, Mexican Dollars
and various Foreign Currencies

Commercial Credits Negotiated

American Express Travelers Cheques
and
Travelers Letters of Credit

SHIPPING

Shipments cleared through Customs
Insured and Forwarded
to all parts of the World

THE AMERICAN EXPRESS COMPANY INC.

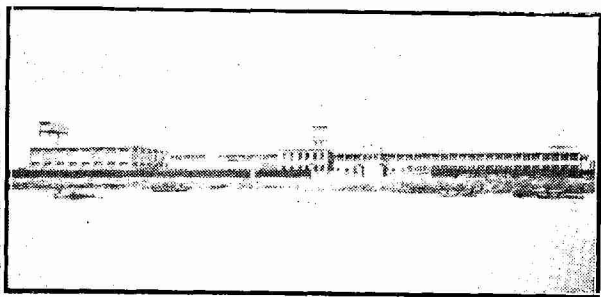
PEKING
TIENTSIN
HONGKONG

CALCUTTA
BOMBAY
SYDNEY

MANILA
KOBE
YOKOHAMA

SHANGHAI—8 Kiukiang Road

The Great China Cotton Mfg. Co., Ltd.



Promotion: The Company was promoted in June, 1919 by Mr. C. C. Nieh and Formal Opening of the Mill was held on April 14th, 1922.

Location: The Mill is located at the north bank of the Wan Tsao Pang Creek in easy access of both railway and water transportation. Motor car takes 40 minutes from the business center of Shanghai City to the Mill Compound.

Capital: Shanghai Taels 3,000,000 00

Spindles: The Company possesses at present 45,000 spindles, half of which are designed for fine spinning.

Equipment: The Mill is equipped with the most up-to-date machinery of both English and American make with sprinkler, humidifier installations and other modern devices. It is the aim of the Management to make everything a model of its kind in China.

Management: Mr. C. C. Nieh is the General Manager and assisted by Mr. E. R. Yin, a Harvard man specialized in Business Administration. Modern systems are introduced in this Mill. Engineers of long experience only are employed to take charge of each department. The Power Plant is under the charge of a combustion engineer, Mr. Hsieh, trained in American colleges and G. E. Works, who demands the highest efficiency for the turbogenerator and the minimum amount of coal consumption per K. W. H. The Construction Engineer is an M. I. T. man, Mr. T. S. Sih, who is said to have saved many thousand of taels for the Company in buildings. The Spinning and Power Plant Buildings and the big warehouse are all of fire proof construction. The work was carried out under the supervision of the Construction Engineer. The design of the factories was made by a Swiss Engineer. Two Textile Engineers are taking charge of the Spinning Department. They were educated in Japan. A modern trained medical doctor is attending the dispensary. A sanitary engineer is in charge of water supply, heating, humidifier system, etc. The store of supplies was organized by an expert accountant, who worked two years in the stores department in one of the largest factories in the States. Newest systems are introduced in this department for store keeping, recording and accounting.

Employees' Club: In the Employees' Club, athletics, reading, picnics, moving pictures, etc. are being carried out. It not only makes the employees understand each other better but serves to increase their efficiency, too.

Japanese Mining Operations Imbitter Chinese

(Continued from page 70)

fixed and rolling stock, mines, plant and material for the exploitation of the mines are and remain acquired by Japan, together with all rights and privileges attaching hereto." Japan has, therefore, considered herself the successor to those mines and she has worked on them even before her title could be solemnly confirmed. We need only enumerate them in order to know what they are and what they may mean to Japan's industrial and economic welfare.

"In the first place we have to mention the Po-shan coal mine, which is the largest in the Shantung Province. Measuring fourteen miles from North to South and about seven miles from east to west, it has an area the size of which can be estimated by simple mathematical calculation. Before the outbreak of the war, it was worked by the Schantung Bergbau Gesellschaft, or the Shantung Mining Company, which was incorporated into the Shantung Railway Company, on January 1, 1913, with an increase of the capital of the company. Two shafts were dug by the Germans at Hungshan and Tze-Chwan, which, when worked to full capacity could furnish 2,000 tons of coal daily, and about 700,000 tons annually. There is a branch line of the Shantung Railway reaching the mine fields to facilitate transportation. The Japanese authorities now in charge of the operation have been planning to increase the daily product of the mine. According to expert judgment a practically unlimited increase in the production of coal of the Po-shan mine is only a matter of increased labor and increased investment.

"The Japanese authorities have been careful enough to see that all products are shipped to Japan, where the demand for the first-class is greater than the supply. The Weihsien coal field was operated, beginning from 1902, by the Schantung Eisenbahn Gesellschaft with a capital of 12,000,000 marks. Its output is in the main bituminous, containing about 15 percent ash and 30 percent gas. The Weihsien coal has a high heating power—almost 7,000 calories—and it also has the advantage of having a lighter smoke.

"The producing capacity of the Weihsien coal field is

1910-1911	193,497.05 tons
1911-1912	205,184.00 tons
1913	199,000.00 tons

Aside from the mine mentioned above there are other rich coal fields on both sides of the Kiaochow-Tsinan Railway. The Hung-shan coal mine started by the Germans in 1902, has an annual output (anthracite) of 414,000 tons. The machinery for the operation of this mine was damaged after the Japanese captured Shantung. Repairs were made and completed in May, 1915, but it was not until July that the Japanese were able to resume work. The deposits in Hung-shan are estimated at 800,000,000 tons. The mine at Yi-hsien has an annual output of 198,000 tons and the coal fields at Tanen-kow and at I-chow yield an annual output of 72,000 and 30,000 tons, respectively.

"But more important and perhaps more attractive to Japan than these coal mines is the Chinlingchen iron mine, which is situated about five miles off the main line of the Shantung Railway and about 180 miles from Tsingtao. This is one of the richest iron mines in China, and as such it has been the greatest attraction for the Japanese. The iron deposit of

Chinlingchen is estimated at something like 100,000,000 tons, and according to the analysis made by German experts, it contains 65 percent of iron, .23 or .24 percent manganese, .03 percent of phosphorus, and .08 percent of sulphur. This analysis does not differ very much from those made by the Japanese experts appointed by the Japanese government for that purpose. Like the coal mines, it was being worked by the Shantung Railway Company before the war with very good results. The annual output was 350,000 tons. Since the Japanese occupation in November, 1914, there have been on foot various schemes for increasing the annual output, among which is the scheme for establishing a large iron foundry in the Kiaochow leased territory. Several attempts, more or less unsuccessful, were made by private Japanese to make experimental borings in the iron fields. In spite of the fact that the Germans had already excavated a shaft to a depth of 300 feet and that it needs about 50 or 100 feet more to reach the new vein, the Japanese miserably failed to accomplish their object. Whether it was due to the lack of necessary experience and knowledge for such engineering work, is a question which the Japanese themselves can best answer. Late in 1916 it was decided that necessary experimental borings and the completion of the new shaft were to be taken by the Shantung Railway Company, which has been placed under the control of the Japanese government, and the entire cost was to be defrayed from funds provided for by the Japanese war office. In 1918, a branch railway of about five miles from Tsingtao to Chinlingchen mine fields was built at an estimated cost of \$1,000,000.

"With this rich iron mine at Chinlingchen under Japanese control, and with the Hanyehping Company being converted into a Sino-Japanese joint concern, Japan can have as her source of supply two of the richest iron fields in China. Very high hopes have been entertained, indeed, by Japanese authorities as to Japan's future iron supply from China, which is practically inexhaustible.

"Besides iron and coal mines, there are a few places where gold has been discovered. In the northern part of the province, principally at Chaoyuan, Chiutien (near Pingtu), Chinhushan (near Ninghai), Hsiayut-sen, and Kweishan, important gold deposits have been discovered. Numerous other gold deposits have been located. At present, the gold mine at Chaoyuan is the only gold mine in Shantung in actual operation, and is said 'to be the only gold mine that can be profitably worked.' Recently, however, Japanese mining experts have examined the tailings of these gold mines. They believe that all of them could be worked with profit. As yet, no accurate or statistical information is available as to their operation capacity. It may, however, be safely said that, in the time to come, Japan will lay her hands on them as surely as on the other mines.

"Admittedly the mines and railways in Shantung are the rich prizes on which Japan has set her covetous eyes. Writing in *GEOGRAPHISCHE ZEITASCHRIFT* for 1914, Herr Schmitthenner admitted that Japan's sudden decision to take part in the war and to attack Tsingtao in 1914 was influenced by her desire to take possession of the rich coal and iron deposits in Shantung. This stated, however, but part of the truth. Japan's real object was to get control of the Shantung railways and to link them with the railways in Manchuria, also under her control, so as to enable her to dominate Northern China.

"During the conversations held in connection

with the Washington Conference, the disposition of these mines in Shantung was among the most difficult problems to solve. The Japanese denied that they had opened up mining areas other than those which the Germans had opened in 1914, although, in certain mines, they admitted, new shafts had been sunk. Pressed for exact information as to Japan's mining activities in Shantung, they submitted the following facts recorded in the minutes of the negotiation:

"While agreeing in principle that these mines should be given back to China, the Japanese preferred to have them given over to a group of Chinese and Japanese capitalists for future operation. The position of the Chinese was that these mines, after being restored to China, should be operated in conformity to her mining regulations. The coal mines could be operated by a company to be organized, in which the Japanese could own as much as fifty percent of the stock. The iron mines must be left to China alone, for, according to the mining regulations of the Chinese government, issued on November 27, 1915, no foreign capital can be allowed in iron mining. The Japanese objected of course to this separate treatment of the iron mines. They insisted that all the mines to be restored to China should be given to a Sino-Japanese joint concern, "in which Chinese and Japanese capital shall stand on an entirely equal footing." After much argument, the Chinese and the Japanese reached this formula of solution, which was finally embodied in the Shantung Agreement: "The mines of Tzechwan, Fangtze and Chinlingchen, for which the mining rights were formerly granted by China to Germany, shall be handed over to a company to be formed under a special charter of the government of the Chinese Republic, in which the amount of Japanese capital shall not exceed that of Chinese capital."

"A special charter is necessary in order to pass over the mining regulations, which forbid foreign investment in iron mining.

"The yearly output of the Shantung mines can be roughly estimated as follows:

"1. Po-Shan	414,000 tons
"2. Wei-hsien	199,000 tons
"3. Hungshan.	410,000 tons
"4. Fangtze	200,000 tons
"5. Yi-hsien	198,000 tons
"6. Tanenkow	72,000 tons
"7. I-chow	30,000 tons
"8. Tzechwan	138,000 tons
"9. Chinlingchen.	178,000 tons

(Conference Committees—Continued from Page 12)
civil administration, Tsingtao; Mr. Arino, railway department, civil administration; Mr. Nemoto, railway expert; Mr. Takakura, substitute.

The members of the sub-committee on posts and telegraphs are the following:

China:—Kung Hsiang-hsi, Chung Ao, Lu Chia-nai and Chang Chao-fen.

Japan:—Yano, Makino, Yoshida, and Koga.

The sub-committee on transfer of public properties is composed of the following members:

China:—General Liang Shang-tung; K. Kee; Kung Hsiang-hsi; Hsu Tsu-shan; Ling Teng-po; Tsui Shih-chieh; Wang Tah-chen; Wu Tah-yeh, and Cheng Li.

Japan:—Shigemaru Iriaisa; Gosuke Yasuda; Yasusaburo Mori; Shingo Mayeda; Tsunisaburo Ohashi; Suyekichi Nakamura; Takesi Kobayashi; Kensuke Nakamura; Takashi Uchida; Nakiye Koyanagi; Shinroku Huai; Ichiro Oni and Keizo-Mori.



Allied Machinery Co. of America

49-51 Chambers St., New York City.

Shanghai: 15 Foochow Road.

Tientsin: Cor. Rue du Paris & Rue du Baron Gros
Other Branch Offices in England, France, Italy,
Spain, Japan, Belgium, India, etc.

Cable Address: ALMACOA.

Importers of American:

Construction Machinery and Road Building Equipment

Hoists, Derricks, Concrete Mixers,
Dump Cars, Conveyors, Bucket Loaders,
Pumps, Rock Crushers, Steam Shovels,
Cranes, etc.

Machine Tools

Lathes, Shapers, Milling Machines,
Drilling Machines, Grinders, Sheet Metal
and Can Making Machinery, Small Tools
and Supplies.

Woodworking Machines

Band Mills, Gang Mills, Planers,
Jointers, Mortisers, etc.

Mining Machinery

Air Compressors, Pneumatic and
Electric Rock Drills, Hoists, Cars, Con-
veyors, Wire Rope, etc.

Exclusive Agents for:--

Chicago Pneumatic Tool Co.	Austin Mfg. Co.
Brown & Sharpe Mfg. Co.	Western Wheel Scraper Co.
Norton Co.	C. H. & F.
E. C. Atkins & Co.	Barber Greene Co.
Greenfield Tap & Die Corp'n	Clyde Iron Works
Gould & Eberhardt	Lakewood Engineering Co.
Smith & Millie	Parsons Co.
Sydney Machine Tool Co.	Twee Shovel Co.
Sebastian Lathe Co.	Wyoming Shovel Works
E. W. Bliss & Co.	A. B. Farquhar & Co.
Fay & Egan Co.	Carbie Mfg. Co.
Clark Brothers	Etc., Etc.
Gardner Governor Co.	

The Tsingtao Land Lease War Baby

(Continued from page 40)

"10. When necessary, the government reserves the right to change the scale of tax, although the lease may still be in force.

"11. Land used for public use, or for religion, benevolent, art, sanitary, and worship purposes shall be exempted from taxation or allowed a lower rate of taxation. This privilege shall be granted to a lease-holder whose land is being obstructed wholly or partly from carrying out his plans through its being employed by the government under unavoidable conditions.

"12. The government reserves the right to revoke a lease and restore the land when it deems necessary. In this case the government shall pay a compensation for the building and other works upon the land at a sum fixed by the government. The lease-holder shall not claim anything further than the return of a proportion of tax paid in connection with the land as described in Art. 4a, and the deposit.

"13. A lease-holder may return his land to the government, either in whole or part, by filing a petition with the civil magistrate one month in advance of his intention to do so.

"14. Part or whole of a lease may be canceled under any of the following conditions, without refunding tax paid:

"(a) Non-compliance of Art. 4 or the construction upon the land has not been completed at the specified time.

"(b) Violations of Arts. 5 and 7.

"(c) Lease-holder is not a resident in the territory and has not yet appointed an agent.

"(d) Transferring structures upon the land without the consent of the government.

"(e) Default in paying land tax.

"(f) Violations of these regulations or non-compliance with orders of the government based upon these regulations.

"14a. When part or whole of a lease has been revoked as stipulated in Art. 14, the government reserves the right to confiscate the deposit concerning said land.

"15. At the expiration of a lease or upon the revocation of a lease, the land shall be restored to the government in its original condition; all structures upon the land should be removed at the expense of the lease-holder at a time specified by the government. For non-compliance with this the offender will be punished.

"16. When the address of a lease-holder or his agent is not known, all government orders concerning his land shall be published in the government gazette.

"17. For cultivating or using public land without the consent of the government, the offender shall be fined a sum ten times the regular tax upon the land for the time he used it illegally and the government reserves the right to dispose of the property upon the land as it deems fit.

"18. The area of lease-hold land shall be indicated by border stones; the expense of which shall be borne by the lease holder.

(Continued on page 96)

Sinewan



Sinewan

Do you suffer from Eczema?

TAKE

SINEWAN

A Guaranteed and Complete Cure

from all forms of Eczema

(HERPES, PSORIASIS, FURUNCULOSIS, ETC.)

Supplied in the following forms:

No. 1 for Adults box of 100 pills - - - \$4.00 per box

No. 2 for Children box of 50 pills - - - \$3.00 per box

OUR GUARANTY:

*We refund the money spent for the pills
if you are not cured!*

MANUFACTURERS

SINE Co., Ltd.

4 Ezra Road, Shanghai

Sinewan

Sinewan

The Tsingtao Land Lease War Baby

(Continued from page 94)

"19. The Civil Office should obtain the consent of the Governor-General before letting out public land.

"20. Based upon these regulations the Civil Office is empowered to issue orders or inflict punishments."

Section 12 is the one particularly referred to by the man quoted in the foregoing.

The following tables, prepared in government offices and given out as official, tell their own story of the leased lands.

The government's decision not to sell to leaseholders the lands they had leased, after official announcement had been made that such sales would be made, is pointed to by the Japanese as undisputable evidence of Japan's desire to be perfectly fair and reasonable in connection with the properties and rights entrusted to them there. And at the same time this is pointed to by others as a case in which Japan was unable to carry to completion her program of nationalizing this territory for herself.

The case is briefly this—After the old German property had been leased (mostly to Japanese) official announcement was made that the lands would be sold, the lease holder in each case having the first chance at the property he held under lease. Since most of the land was leased by Japanese most of it would have been purchased by Japanese. When plans for the sale were progressing, announcement, dictated from Tokio, was made to the effect that since a conference looking to the restoration of this territory to China was to be held soon these sales would be "held in abeyance for the time being."

Japanese told me that this decision was reached because Japan desired to avoid the appearance of trying to grab property and desired to leave everything in condition to help rather than hinder the negotiation on Shantung restoration. I had heard from several sources that the calling off of these sales bespoke a difference of opinion between Tokio and Tsingtao, that Tokio deemed it wise to show a more generous and liberal attitude, but that the Tsingtao administration, being in more direct touch with the persons and firms whose money is at stake in Tsingtao, stood for getting everything desirable while the getting was easy. From the office of Dr. Y. Akiyama, civil administrator, I received a firm and full denial of any such difference of opinion, although in two cases I was told by prominent Japanese in Tsingtao that some such difference of opinion had manifested itself to a limited degree. From the office of Dr. Akiyama, I received the statement that the sales were called off voluntarily by the Japanese government in deference to the coming negotiations.

The following is a copy of translations of correspondence that passed between the government and the holder of a land lease (The name is omitted by request.):

"Tsingtau, China, Feb. 17, 1922.

"To

"From: S. Irizawa, Chief of the Office of the Tsingtau Civil Administration.

"SUBJECT: Disposal of leased government owned Land.

"The government owned land which has been leased to you by this office will be disposed of in accordance with the following conditions:

"You are requested to send in the application for purchase of the land in question, provided you desire to purchase it, according to the conditions stated below.

"P. S. In case no reply is sent in during the time stated below the authorities will consider that you do not want to purchase the land and the matter will be settled accordingly.

Conditions

"Location (of land)
 "Area in Tsubo Price
 "Price per Tsubo at which land may be purchased . .
 "Time in which reply must be filed: Not later than February 25, 1922.
 "Time in which payment may be made: Not later than March 31, 1922.

"Note: Necessary papers for the contract will be provided by the land office. Purchasers are requested to bring seals (Japanese method of signing) and in case they are representing others, powers of attorney.

"February 17, 1922.

"By S. Irizawa.

"Tsingtau, China, Feb. 28 1922."

Translation

"Financial Section, the Office of The Tsingtau Civil Administration.

"To
 "From: The Office of the Tsingtau Civil Administration.

"Subject: Sale of Government Land Under Lease.
 "Sir:

"With reference to your reply in compliance with our letter of 17 instant concerning the sale of the government owned land under lease we now have the honor to notify you that the sale in question is, for certain reasons, to be put in abeyance for the time being.

"February 28, 1922.

"The office of the Tsingtau Civil Administration."

(Official Seal)

The following statement, printed in Japanese papers, is credited to Mr. Ishikawa, secretary of the foreign office of Japan following a recent visit to Tsingtao:

"The losses suffered by Japan and the Japanese through the German-Japanese hostilities amounted to about Yen 13,000,000. The property attached as security against these losses, which was sold at auction, amounted to about Yen 16,000,000, which exceeds the amount of the losses by Yen 3,000,000. This excess amount is to be handed over to the Allied Commission on debts, to be returned to the enemy nation.

"As the property was dealt with in accordance with the new law, private German property was altogether confiscated, and only Yen 10,000 was set as the limit to be returned to an owner, so that a German who had owned property worth Yen 10,000 escaped having his property confiscated, whereas a German who had owned Yen 200,000 worth of property had Yen 190,000 worth of it confiscated.

(Continued on page 98)

The Ault & Wiborg China Co.

37 CANTON ROAD, SHANGHAI

Factories & Headquarters in Cincinnati, Ohio, U. S. A.

Established 1878

MANUFACTURERS OF

Printing & Lithographic Inks

Dry Colors

Aniline Dyes

Enamels, Paints & Varnishes

Typewriter Ribbons & Carbon Papers

Writing Fluids

DEALERS IN

Printing & Lithographic Machinery of every description

Papers of all kinds

Headquarters in China for supplying every need of

Lithographic or Printing shops

Foreign experts in all above lines will give you
advice at any time without obligation on
your part.

Branch houses carrying stocks at

CANTON, HONGKONG, HANKOW, TIENTSIN AND MANILA.

Tsingtao's Financial Year

An idea of the cost of the Tsingtao government can be gained from the budget for the current year, a copy of which follows:

The Budget for the Year of 1922.

Revenues:—

Railway	16,145,793 Yen.
Post, Telegraph and Telephone.....	1,065,997 "
Electricity.....	890,820 "
Water works.....	359,465 "
Slaughter house.....	157,014 "
Forestry.....	21,144 "
Others.....	16,652 "
Taxes.....	442,360 "
Miscellaneous ...	982,667 "
Special	1,540,501 "
Total.....	21,622,413 Yen.

Expenditures:—

For persons.....	9,752,302 Yen.
For things.....	6,780,853 "
Temporary.....	3,616,264 "
Reserve fund.....	1,472,964 "
Total.....	21,622,383 Yen.

The Tsingtao Land Lease War Baby

(Continued from page 96)

"The principal items of property are buildings. The number of Germans who had their property confiscated was 250, the number of buildings 35, which are all large buildings situated in the most prosperous localities in Tsingtao. The majority of the buildings fell into Japanese hands. The successful bidders are to commence new enterprises in the buildings.

"There are about 14 or 15 Germans who are still staying in Tsingtao but as soon as their property is disposed of, almost all of them are likely to leave."

In the conference now in session in Peking the matter of provisions to safeguard the interests of Japanese lease holders will be considered. Further than a general statement that they would advocate measures to safeguard the interests of foreigners, including Japanese, after China takes over all Shantung rights, the Japanese delegates to this conference have declined to commit themselves as to what they will demand or advocate in this connection. In light of the fact that Japanese are laying the plans for a continuation of Japanese domination of Shantung commerce, particularly that of Tsingtao, it is generally expected that they will stand for a treaty

(Continued on page 99)

Tobacco Growing in Shantung

(Continued from page 34)

only for the needs of the company but for all others who choose to come and buy on the open market. The farmer has never had any obligation to sell to the company. He can do so if he wishes, but the company has never made any restrictive conditions when giving seed. As a matter of fact a considerable number of outside buyers now attend and purchase at the plantation market. The company has also laid great stress on dealing *direct* with the farmer, who brings his crops in himself to the warehouse, watches them being weighed, and receives payment in cash in his own hands before leaving the warehouse. The middleman has been eliminated.

As a result of this policy certain definite advantages have been secured for Shantung. The farmers in this tobacco district are probably the most prosperous in China. Their villages are well-kept and flourishing. They have unusually good food and clothing. The children are healthy and are educated in schools established by the company. A strong, healthy tobacco stock has been firmly established. The value of the land in the district has risen three-fold. The railway has a regular and valuable freight traffic from the plantations. And the existence of this British-American vested interest in the heart of Shantung has been of considerable value to the Chinese from a political point of view at a time when the province was in danger of being lost to China.

It is not too much to assert, then, that the scientific cultivation of tobacco has been one of the greatest blessings that ever happened to Shantung. A visit to the tobacco area is the most convincing proof that the whole future of China's agriculture and industry could be changed if a similar organised policy could be adopted in regard to such products as cotton, tea and silk. The B. A. T. Company has not interfered with the farmers or their land. They have simply taught

them how to use them in such a way as to get the best possible results in crops and prices. The tobacco-growing in fact has been run on truly co-operative lines.

This successful experiment has been possible only through trained organization, concentration in a definite area so as to create a market, supervision which has been a guarantee of healthy and uniform crops, and the elimination of the middleman, confidence on the part of the farmers that they will get a fair deal and a sure sale for their crops.

These advantages could not have been secured by the individual farmer. The experiment involved a large outlay of capital, very poor returns on that capital for the first few years, and considerable risks. The interest of a big company, with plenty of capital, was essential to success. Everyone has been the gainer, the farmer, the government and the industry. The Shantung authorities have very wisely encouraged the new developments and have realised the benefits secured by the people. It is to be hoped that this farsighted policy will continue. The opening of a trade-mart in the area of the tobacco market would probably attract a tobacco-manufacturing industry into the heart of Shantung, thus providing employment for a large number of people and the circulation of considerable sums of money in the province. The province will have a hard task in the next few years to provide the necessary money for the redemption of the Shantung Railway. The one safe and secure way of doing this will be to provide such security for property that investors will feel safe in starting new industries and new enterprises in the province. By a really big and far-sighted policy the Chinese government could ensure that Shantung will clear off all its debts, and become one of the richest national assets, within the space of a very few years.

The Tsingtao Land Lease War Baby

(Continued from page 98)

clause to remove all cause of worry as to what will come when those short-term leases have expired.

The following tables prepared by Tsingtao government officials and employees show the nationality of lease holders:

LIST OF THE LEASE OF THE GOVERNMENT PROPERTY

(May 10, 1922.)

Nationality	Under German time	Under Japanese Administration	Total
	"Tsubo"	"Tsubo"	"Tsubo"
Japanese	—	1,211,875,000	1,211,875,000
Chinese	299,810,000	3,017,550,000	3,317,360,000
Foreigners	—	60,000	60,000
Total	299,810,000	4,229,485,000	4,529,295,000

REMARKS:—

- 1) More leases have been given after February 5th, 1922 to
- | | |
|------------------|----------------|
| Japanese | 679,808 tsubo. |
| Chinese | 5,500 tsubo. |
| Foreigners | 10,000 tsubo. |
| Total | 695,308 tsubo. |

LIST OF THE PRIVATE PROPERTY (LAND).

(May 10th 1922)

Nationality	Old possession	Bought from the Germans	Bought from the Bureau of Custody of the German Properties.	Total
§ Japanese	—	"Tsubo"	"Tsubo"	"Tsubo"
		—	978,643,625	978,643,625
* Chinese	—	18,498,209-867	4,932,867	18,503,142,734
Foreigners	—	81,940,000	5,173,052	87,113,052
Total	—	18,580,149-867	988,749,544	19,568,899,411

§—Including the lands bought from foreigners.

*—Old possessions are under investigation.

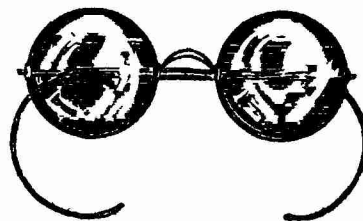
LIST OF THE LEASE OF THE GOVERNMENT PROPERTY.

(May 10th 1922)

Nationality	Under German time	Under Japanese Administration	Total
	"Tsubo"	"Tsubo"	"Tsubo"
Japanese	511,000	834,417,000	834,928,000
Chinese	55,890,000	226,436,000	282,326,000
Foreigners	2,446,000	19,399,000	21,845,000
Total	58,847,000	1,080,252,000	1,139,099,000

REMARKS—

- 1) More leases have been given after February 5th, 1922 to
- | | |
|-----------------|----------------|
| Japanese | 412,960 tsubo. |
| Chinese | 70,654 tsubo. |
| Foreigner | 6,219 tsubo. |
| Total | 479,833 tsubo. |



SCIENCE and ART are combined in the making of modern spectacles. With a pair of high-grade lenses in a smart-looking spectacle frame, your beauty, dignity and efficiency will be greatly enhanced. Unless your ocular defects are corrected with suitable lenses, you are working at a disadvantage, perhaps unwaredly.

The CHINESE OPTICAL CO., which specialises in rendering efficient optical services, is an institution to which you can confidently entrust the delicate task of having your eyes scientifically examined; and, if necessary, of having minutely accurate lenses made to meet the specific requirements of your eyes.

Our principal aim is not the mere sale of glasses but the employment of scientific methods to make your eyes comfortable under all circumstances.

CHINESE OPTICAL COMPANY

司公鏡眼益精國中

HEAD OFFICE:

P. 352 Nanking Road,
Shanghai,
China.

BRANCHES:

In all leading cities
in China.

THE SHANGHAI COMMERCIAL and SAVINGS BANK, LTD.

Head Office: 9 Ningpo Road

Capital \$2,500,000.00

Reserve 420,000.00

All Description of Banking, Trustee and Foreign Exchange Business Transacted

Branches and Agencies:

In Principal Cities throughout China

Foreign Correspondents:

London	New York	Yokohama
Paris	Chicago	Osaka
Marseilles	Seattle	Tokyo
Amsterdam	San Francisco	Manila
Berlin	Singapore	

Cable Address:

"COMSAVBANK"

K. P. CHEN,
General Manager.

Treaty for the Settlement of Outstanding Questions Relative to Shantung

(This is the full text of the treaty on Shantung agreed upon by Chinese and Japanese delegates in Washington)

Japan and China, being equally animated by a sincere desire to settle amicably and in accordance with their common interest outstanding questions relative to Shantung, have resolved to conclude a treaty for the settlement of such questions, and have to that end named as their Plenipotentiaries, that is to say:

~~His Majesty the Emperor of Japan:~~

Baron Tomosaburo Kato, Minister of the Navy;

Baron Kijuro Shidehara, Ambassador Extraordinary and Plenipotentiary; and

Masanao Hanihara, Vice-Minister for Foreign Affairs;

His Excellency the President of the Chinese Republic:

Sao-Ke Alfred Sze, Envoy Extraordinary and Minister Plenipotentiary;

Vikyuin Wellington Koo, Envoy Extraordinary and Minister Plenipotentiary; and

Chung-Hui Wang, Former Minister of Justice;

Who, having communicated to each other their respective full powers, found to be in good and due form, have agreed upon the following Articles:

SECTION I.

Restoration of the Former German Leased Territory of Kiaochow.

Article I.

Japan shall restore to China the former German Leased Territory of Kiaochow.

Article II.

The government of Japan and the government of the Chinese Republic shall each appoint three Commissioners to form a Joint Commission, with powers to make and carry out detailed arrangements relating to the transfer of the administration of the former German Leased Territory of Kiaochow and to the transfer of public properties in the said Territory and to settle other matters likewise requiring adjustment.

For such purposes, the Joint Commission shall meet immediately upon the coming into force of the present Treaty.

Article III.

The transfer of the administration of the former German Leased Territory of Kiaochow and the transfer of public properties in the said Territory, as well as the adjustment of other matters under the preceding Article, shall be completed as soon as possible, and, in any case, not later than six months from the date of the coming into force of the present Treaty.

Article IV.

The government of Japan undertakes to hand over to the government of the Chinese Republic, upon the transfer to China of the administration of the former German Leased Territory of Kiaochow, such archives, registers, plans, title-deeds and other documents in the possession of Japan, or certified copies thereof, as may be necessary for the transfer of the administration, as well as those that may be useful for the subsequent administration by China of the said Territory and of the Fifty Kilometre Zone around Kiaochow Bay.

SECTION II.

Transfer of Public Properties.

Article V.

The government of Japan undertakes to transfer to the government of the Chinese Republic all public properties including land, buildings, works or establishments in the former German Leased Territory of Kiaochow, whether formerly possessed by the German authorities, or purchased or constructed by the Japanese authorities during the period of the Japanese administration of the said Territory, except those indicated in Article VII. of the present Treaty.

Article VI.

In the transfer of public properties under the preceding Article, no compensation will be claimed from the government of the Chinese Republic: Provided, however, that for those purchased or constructed by the Japanese authorities, and also for the improvements on or additions to those formerly possessed by the German authorities, the government of the Chinese Republic shall refund a fair and equitable proportion of the expenses actually incurred by the government of Japan, having regard to the principle of depreciation and continuing value.

Article VII.

Such public properties in the former German Leased Territory of Kiaochow as are required for the Japanese Consulate to be established in Tsingtao shall be retained by the government of Japan, and those required more especially for the benefit of the Japanese community, including public schools, shrines and cemeteries, shall be left in the hands of the said community.

Article VIII.

Details of the matters referred to in the preceding three Articles shall be arranged by the Joint Commission provided for in Article II. of the present Treaty.

SECTION III.

Withdrawal of Japanese Troops.

Article IX.

The Japanese troops, including gendarmes, now stationed along the Tsingtao-Tsinanfu Railway and its branches, shall be withdrawn as soon as the Chinese police or military force shall have been sent to take over the protection of the Railway.

Article X.

The disposition of the Chinese police or military force and the withdrawal of the Japanese troops under the preceding Article may be effected in sections.

The date of the completion of such process for each section shall be arranged in advance between the competent authorities of Japan and China.

The entire withdrawal of such Japanese troops shall be effected within three months, if possible, and, in any case, not later than six months, from the date of the signature of the present Treaty.

Article XI.

The Japanese garrison at Tsingtao shall be completely withdrawn simultaneously, if possible, with the

transfer to China of the administration of the former German Leased Territory of Kiaochow, and, in any case, not later than thirty days from the date of such transfer.

SECTION IV.

Maritime Customs at Tsingtao.

Article XII.

The Custom House of Tsingtao shall be made an integral part of the Chinese Maritime Customs upon the coming into force of the present Treaty.

Article XIII.

The Provisional Agreement of August 6, 1915, between Japan and China, relating to the reopening of the Office of the Chinese Maritime Customs at Tsingtao shall cease to be effective upon the coming into force of the present Treaty.

SECTION V.

Tsingtao-Tsinanfu Railway.

Article XIV.

Japan shall transfer to China the Tsingtao-Tsinanfu Railway and its branches, together with all other properties appurtenant thereto, including wharves, warehouses and other similar properties.

Article XV.

China undertakes to reimburse to Japan the actual value of all the Railway properties mentioned in the preceding Article.

The actual value to be so reimbursed shall consist of the sum of fifty-three million, four hundred and six thousand, one hundred and forty-one (53,406,141) gold marks (which is the assessed value of such portion of the said properties as was left behind by the Germans), or its equivalent, plus the amount which Japan, during her administration of the Railway, has actually, expended for permanent improvements on or additions to the said properties, less a suitable allowance for depreciation.

It is understood that no charge will be made with respect to the wharves, warehouses and other similar properties mentioned in the preceding Article, except for such permanent improvements on or additions to them as may have been made by Japan, during her administration of the Railway, less a suitable allowance for depreciation.

Article XVI.

The government of Japan and the government of the Chinese Republic shall each appoint three Commissioners to form a Joint Railway Commission, with powers to appraise the actual value of the Railway properties on the basis defined in the preceding Article, and to arrange the transfer of the said properties.

Article XVII.

The transfer of all the Railway properties under Article XIV. of the present Treaty shall be completed as soon as possible, and, in any case, not later than nine months from the date of the coming into force of the present Treaty.

Article XVIII.

To effect the reimbursement under Article XV. of the present Treaty, China shall deliver to Japan simultaneously with the completion of the transfer of the Railway properties, Chinese Government Treasury Notes, secured on the properties and revenues of the Railway, and running for a period of fifteen years, but redeemable, whether in whole or in part, at the option of China, at the end of five years from the date of the delivery of the said Treasury Notes, or at any time thereafter upon six months' previous notice.

Article XIX.

Pending the redemption of the said Treasury Notes under the preceding Article, the government of the Chinese Republic will select and appoint, for so long a period as any part of the said Treasury Notes shall remain unredeemed, a Japanese subject to be Traffic Manager, and another Japanese subject to be Chief Accountant jointly with the Chinese Chief Accountant and with co-ordinate functions.

These officials shall all be under the direction, control and supervision of the Chinese managing director, and removable for cause.

Article XX.

Financial details of a technical character relating to the said Treasury Notes, not provided for in this Section, shall be determined in common accord between the Japanese and Chinese authorities as soon as possible, and, in any case, not later than six months from the date of the coming into force of the present Treaty.

SECTION VI.

Extensions of the Tsingtao-Tsinanfu Railway.

Article XXI.

The concessions relating to the two extensions of the Tsingtao-Tsinanfu Railway, namely, the Tsinanfu-Shunteh and the Kaomi-Hsuchowfu lines, shall be made open to the common activity of an international financial group, on terms to be arranged between the government of the Chinese Republic and the said group.

SECTION VII.

Mines.

Article XXII.

The mines of Tsechwan, Fangtze and Chinlingchen for which the mining rights were formerly granted by China to Germany, shall be handed over to a company to be formed under a special charter of the government of the Chinese Republic, in which the amount of Japanese capital shall not exceed that of Chinese capital.

The mode and terms of such arrangement shall be determined by the Joint Commission provided for in Article II. of the present Treaty.

SECTION VIII.

Opening of the Former German Leased Territory of Kiaochow.

Article XXIII.

The government of Japan declares that it will not seek the establishment of an exclusive Japanese settlement, or of an international settlement, in the former German Leased Territory of Kiaochow.

The government of the Chinese Republic, on its part, declares that the entire area of the former German Leased Territory of Kiaochow will be opened to foreign trade, and that foreign nationals will be permitted freely to reside and carry on commerce, industry and other lawful pursuits within such area.

Article XXIV.

The government of the Chinese Republic further declares that vested rights lawfully and equitably acquired by foreign nationals in the former German Leased Territory of Kiaochow, whether under the German régime or during the period of the Japanese administration, will be respected.

All questions relating to the status or validity of such vested rights acquired by Japanese subjects or Japanese companies shall be adjusted by the Joint Commission provided for in Article II. of the present Treaty.

SECTION IX.

Salt Industry.

Article XXV.

Whereas the salt industry is a government monopoly in China, it is agreed that the interests of Japanese subjects or Japanese companies actually engaged in the said industry along the coast of Kiaochow Bay shall be purchased by the government of the Chinese Republic for fair compensation, and that the exportation to Japan of a quantity of salt produced by such industry along the said coast is to be permitted on reasonable terms.

Arrangements for the above purposes, including the transfer of the said interests to the government of the Chinese Republic, shall be made by the Joint Commission provided for in Article II. of the present Treaty. They shall be completed as soon as possible, and, in any case, not later than six months from the date of the coming into force of the present Treaty.

SECTION X.

Submarine Cables.

Article XXVI.

The government of Japan declares that all the rights, titles and privileges concerning the former German submarine cables between Tsingtao and Chefoo and between Tsingtao and Shanghai are vested in China, with the exception of those portions of the said two cables which have been utilized by the government of Japan for the laying of a cable between Tsingtao and Sasebo; it being understood that the question relating to the landing and operation at Tsingtao of the said Tsingtao-Sasebo cable shall be adjusted by the Joint Commission provided for in Article II. of the present Treaty, subject to the terms of the existing contracts to which China is a party.

SECTION XI.

Wireless Stations.

Article XXVII.

The government of Japan undertakes to transfer to the government of the Chinese Republic the Japanese wireless stations at Tsingtao and Tsinanfu, for fair compensation for the value of these stations, upon the withdrawal of the Japanese troops at the said two places, respectively.

Details of such transfer and compensation shall be arranged by the Joint Commission provided for in Article II. of the present Treaty.

Article XXVIII.

The present Treaty (including the Annex thereto) shall be ratified, and the ratifications thereof shall be exchanged at Peking as soon as possible, and not later than four months from the date of its signature.

It shall come into force from the date of the exchange of ratifications.

In witness whereof, the respective Plenipotentiaries have signed the present Treaty in duplicate, in the English language, and have affixed thereto their seals.

Done at the City of Washington this fourth day of February, One Thousand Nine Hundred and Twenty-Two.

SAO-KE ALFRED SZE	[L. s.]
V. K. WELLINGTON KOO	[L. s.]
CHUNG-HUI WANG	[L. s.]
T. KATO	[L. s.]
K. SHIDEHARA	[L. s.]
M. HANIHARA	[L. s.]

ANNEX.

I.

Renunciation of Preferential Rights.

The government of Japan declares that it renounces all preferential rights with respect to foreign assistance in persons, capital and material stipulated in the Treaty of March 6, 1898, between China and Germany.

II.

Transfer of Public Properties.

It is understood that public properties to be transferred to the government of the Chinese Republic under Article V. of the present Treaty include (1) all public works, such as roads, water works, parks, drainage and sanitary equipment, and (2) all public enterprises such as those relating to telephone, electric light, stockyard and laundry.

The government of the Chinese Republic declares that in the management and maintenance of public works to be so transferred to the government of the Chinese Republic, the foreign community in the former German Leased Territory of Kiaochow shall have fair representation.

The government of the Chinese Republic further declares that, upon taking over the telephone enterprise in the former German Leased Territory of Kiaochow, it will give due consideration to the requests from the foreign community in the said Territory for such extensions and improvements in the telephone enterprise as may be reasonably required by the general interests of the public.

With respect to public enterprises relating to electric light, stockyard and laundry, the government of the Chinese Republic, upon taking them over, shall re-transfer them to the Chinese municipal authorities of Tsingtao, which shall, in turn, cause commercial companies to be formed under Chinese laws for the management and working of the said enterprises, subject to municipal regulation and supervision.

III.

Maritime Customs at Tsingtao.

The government of the Chinese Republic declares that it will instruct the Inspector General of the Chinese Maritime Customs (1) to permit Japanese traders in the former German Leased Territory of Kiaochow to communicate in the Japanese language with the Custom House of Tsingtao; and (2) to give consideration, within the limits of the established service regulations of the Chinese Maritime Customs, to the diverse needs of the trade of Tsingtao, in the selection of a suitable staff for the said Custom House.

IV.

Tsingtao-Tsinanfu Railway.

Should the Joint Railway Commission provided for in Article XVI. of the present Treaty fail to reach an agreement on any matter within its competence, the point or points at issue shall be taken up by the government of Japan and the government of the Chinese Republic for discussion and adjustment by means of diplomacy.

In the determination of such point or points, the government of Japan and the government of the Chinese Republic shall, if necessary, obtain recommendations of experts of a third Power or Powers who shall be designated in common accord between the two governments.

V.

Chefoo-Weihsien Railway.

The government of Japan will not claim that the option for financing the Chefoo-Weihsien Railway should be made open to the common activity of the International Financial Consortium, provided that the said Railway is to be constructed with Chinese capital.

VI.

Opening of the Former German Leased Territory of Kiaochow.

The government of the Chinese Republic declares that, pending the enactment and general application of laws regulating the system of local self-government in China, the Chinese local authorities will ascertain the views of the foreign residents in the former German Leased Territory of Kiaochow in such municipal matters as may directly affect their welfare and interests.

T. KATO	SAO-KE ALFRED SZE
K. SHIDEHARA	V. K. WELLINGTON KOO
M. HANIHARA	CHUNG-HUI WANG

Agreed Terms of Understanding Recorded in the Minutes of the Japanese and Chinese Delegations Concerning the Conclusion of the Treaty for the Settlement of Outstanding Questions relative to Shantung.

I. Transfer of Public Properties.

1. Japanese subjects will be permitted, subject to the provisions of Chinese law, to become members or shareholders of any of the commercial companies to be formed with respect to public enterprises mentioned in Paragraph 4 of Annex II. of the Treaty.

II. Withdrawal of Japanese Troops

2. After the withdrawal of the Japanese troops provided for in Articles IX-XI of the Treaty, no Japanese military force of any kind will remain in any part of Shantung.

III. Tsingtao-Tsinanfu Railway

3. All light railways constructed by Japan in Shantung and all properties appurtenant thereto shall be considered as part of the properties of the Tsingtao-Tsinanfu Railway.

4. The telegraph lines along the Railway shall also be considered as part of the Railway properties.

5. The Chinese authorities, upon taking over the Railway, shall have full power and discretion to retain or to remove the present employees of Japanese nationality in the service of the Railway. In replacing such employees, reasonable notice shall be given before the date of the transfer of the Railway. Detailed arrangements regarding the replacements to take effect immediately on the transfer of the Railway are to be made by the Joint Railway Commission provided for in Article XVI. of the Treaty.

6. The entire subordinate staff of the Japanese traffic manager and the Japanese Chief Accountant of the Railway is to be appointed by the Chinese managing director. After two years and a half from the date of the transfer of the Railway, the Chinese government may appoint an assistant traffic manager of Chinese nationality for the period of two years and a half, and such Chinese assistant traffic manager may likewise be appointed at any time upon notice be-

ing given for the redemption of the Treasury Notes under Article XVIII. of the Treaty.

7. The Chinese government is under no obligation to appoint Japanese subjects as members of the subordinate staff above mentioned.

8. The redemption of the Treasury Notes under Article XVIII. of the Treaty will not be effected with funds raised from any source other than Chinese.

9. The Chinese government will ask the Japanese government for such information as may be useful in making the selection of the Japanese traffic manager and the Japanese Chief Accountant of the Railway.

10. All questions relating to the existing contracts or commitments made by the Japanese authorities in charge of the Railway shall be settled by the Joint Railway Commission; and, prior to the transfer of the Railway, the said Japanese authorities will not make any new contracts or commitments calculated to be harmful to the interests of the Railway.

IV. Opening of the Former German Leased Territory of Kiaochow.

11. The term "lawful pursuits" used in Article XXIII. of the Treaty shall not be so construed as to include agriculture, or any enterprise prohibited by Chinese law or not permitted to foreign nationals under the treaties between China and foreign Powers, it being understood that this definition shall be without prejudice to the question of the salt industry provided for in Article XXV. of the Treaty or to any question relating to vested rights which shall be determined in accordance with Article XXIV. of the Treaty.

V. Post Offices.

12. All the Japanese Post Offices outside of the former German Leased Territory of Kiaochow shall be withdrawn simultaneously with the transfer of the Tsingtao-Tsinanfu Railway, if such transfer shall take place before January 1, 1922, and, in any case, not later than the said date.

13. All the Japanese Post Offices within the former German Leased Territory of Kiaochow shall be withdrawn simultaneously with the transfer of the administration of the said Territory.

VI. Claims.

14. The omission of any reference in the Treaty to the question of claims which Chinese citizens may have against the Japanese authorities or Japanese subjects, for the restitution of real property in Shantung or for damages to the persons and property of Chinese citizens in Shantung, shall not prejudice such claims.

15. The Chinese authorities shall furnish the Japanese authorities with a list of such claims together with all available evidence in support of each claim. Justice shall be done through diplomatic channels as regards the claims against the Japanese authorities, and through ordinary judicial procedure as regards the claims against Japanese subjects. With respect to the latter class of claims, the investigation into actual facts of each case may, if necessary, be conducted by a Joint Commission of Japanese and Chinese officials, in equal number, to be specially designated for that purpose.

16. The Japanese government shall not be held responsible for any damages which may have been directly caused by military operations of Japan during the late war.

Washington, D. C.,

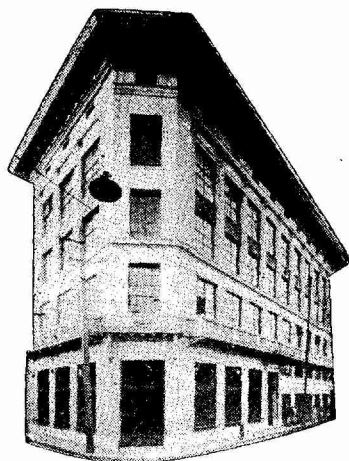
February 4, 1922.

THE SHUN PAO

Chinese Daily News

申報

ESTABLISHED
1872



The Shun Pao's Home—a reinforced concrete building of five stories erected in 1917-1918

Address: 24 Hankow Road, Shanghai, China.

Telephones: C. 95, 7001, 1527 & 1576.

Cablegrams: Shun Pao, Shanghai.

Three points for your kind consideration:

I.

The year 1922 marks the 50th anniversary of the SHUN PAO, the premier Chinese daily newspaper, which has won its place of **unique distinction** because of its unrivalled news and editorial features and because of the highly efficient services which it renders to its advertising patrons.

II.

The Shun Pao has introduced a number of unprecedented features in Chinese newspaperdom. Take, for example, the Sunday Supplement, where a resumé of national and international events with sane criticisms is presented; the Republican Anniversary with a remarkable array of authoritative articles on Chinese questions; the Automobile (Saturday) Supplement which is devoted to automotive interests in China, and aims to promote road-building and the use of motor cars and trucks on a larger and larger scale: etc. At the World's Press Conference held last year in Honolulu, and at the Washington Conference, the Shun Pao had a special correspondent of its own **on the spot**.

III.

Advertising in the Shun Pao yields gratifying results because we give our advertisers first-class service (a) through our large personnel consisting of expert ad-writers, experienced translators, artistic designers, skilful character-writers, and (b) through our illustrative facilities in being able to make stereos, electros, zincs and half tones on our own premises. And last but not the least through our large—the largest in Shanghai newspaperdom—variety of Chinese characters.

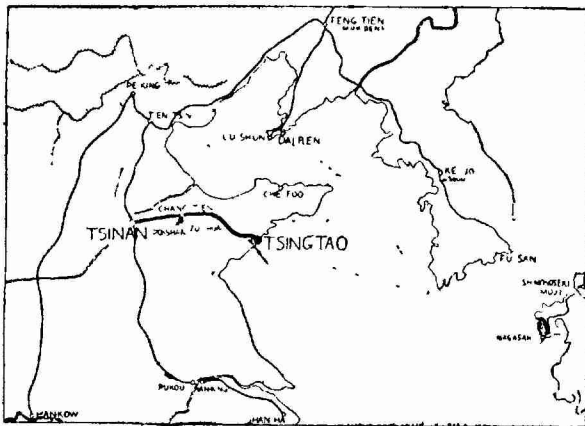
Inquiries are always cordially welcome.

ALPHABETICAL LIST OF ADVERTISERS

	Page
Allied Machinery Company of America ..	94
American Express Company, Inc. ..	91
Amos Bird Company ..	80
Andersen, Meyer & Company, Ltd. ..	70
Aquarius Company ..	71
Asia Development Company, Ltd. ..	90
Ault and Wiborg China Company ..	97
Bank of Canton, Ltd. ..	76
Bank of China ..	83
Bank of Communications ..	74
British-American Tobacco Company (China), Ltd. ..	3, 41
Brunner, Mond & Company, (China) Ltd. ..	61
Caldbeck, Macgregor & Company, Ltd. ..	71
Canadian Pacific Steamships, Ltd. ..	57
Central Trust Company, Ltd. ..	63
Chekiang Industrial Bank, Ltd. ..	81
China Mail Steamship Company, Ltd. ..	72
China Oxy-Acetylene Welding Works. ..	82
China Tea Company, Ltd. ..	66
Chinese American Publishing Company ..	89
Chinese Cotton Goods Exchange ..	1
Chinese Industrial Bank ..	1
Chinese Optical Company, Ltd. ..	99
Chung Foo Union Bank ..	64
Chung Hua Times ..	63
Commercial Press, Ltd. ..	86
Connell Brothers Company ..	84
Dodwell & Company, Ltd. ..	2
Dollar Company, Robert ..	67
E. I. Du Pont De Nemours & Company ..	43
Equitable Eastern Banking Corporation ..	85
Fearon, Daniel Company ..	44
Foong Nien Flour Mill ..	51
Fou Ching Sing Cotton Company ..	51
General American Car Company ..	75
Grand Hotels, Limited ..	82
Great China Corporation ..	54
Great China Cotton Manufacturing Co., Ltd. ..	92
Hua Hsin Company ..	44
Hou Sung Cotton Mill ..	1
Industrial and Commercial Bank, Ltd. ..	55
International Banking Corporation ..	77
International General Electric Company, Inc. ..	Cover
Kiangnan Dock and Engineering Works ..	65
Liggett & Myers Tobacco Company ..	69
Mei-Foong Products Company ..	51
Mitsui Bussan Kaisha Ltd. ..	73
Moh, H. Y. (Industries under Management of) ..	1
Nestlé & Anglo-Swiss Condensed Milk Co. ..	4
North China Daily News and Herald, Ltd. ..	79
Shanghai Commercial and Savings Bank, Ltd. ..	99
Shantung Bank ..	44, 51
Shantung Railways Administration ..	Cover
Shun Pao ..	104
Sine Company, Ltd. ..	95
Squires, Bingham Company ..	54
Teh Dah Cotton Mill ..	1
Texas Company ..	Cover
Tsi Foong Flour Mill ..	51
Tsi Tung Godown Company ..	51
Tsinanfu Telephone Company ..	51
Tsze Shing Chen Silk Company ..	51
Tung Lai Bank ..	51
Tung Lai Trading Company ..	49
Tung Lu Commercial and Savings Bank ..	55
United States Steel Products Company ..	88
Universal Film Manufacturing Company ..	59
Wah Chang Trading Corporation ..	52, 53
Wah Ching Flour Mill ..	51
Weekly Review ..	68
Westinghouse Electric International Co. ..	58
Wing On Company (Shanghai) Ltd. ..	87
Yokohama Specie Bank, Limited ..	47
Yu Foong Cotton Mill ..	1

SHANTUNG RAILWAY

The Shortest Route between Japan and North China



THROUGH TRAFFIC

Through passenger tickets are issued between the following principal stations of the Shantung Railway: Kiaochow, Kaomi, Fangtsu, Weihsen, Chingchow, Changtien, Choustun, Tsinan, Tzuchuan, Poshan, and the following points: In Manchuria—Port Arthur, Newchwang, Liaoyang, Fushun, Mukden, Tiehling, Kaiyuan, Changchun, Penchihu, Antung, and Dairen; in Japan—Tokyo, Yokohama, Nagoya, Kyoto, Osaka, Kobe, Ujina, Moji, Shimonoseki, Nagasaki and Shanghai.

Steamer Connections—Steamers leave the wharves of the Large Harbour, Tsingtao, for Moji and Kobe every five days, for Shanghai about twice a week and for Dairen about three times a week.

For giving facilities to through passengers for Japan, a special train in connection with the night train No. 4 is operated from the Harbour Station to the Wharf, direct alongside the ship, on those days when the liners of the Nippon Yusen Kaisha, Osaka Shosen Kaisha and Harada S.S. Co. are leaving. Through passengers and their luggage are carried free of charge for this section.

Collieries—The Tzuchuan (Shisen) and Fangtsu (Boshi) Collieries are managed by the Mining Department of the Shantung Railway. At present the daily output of Tzuchuan coal is about 1,500 tons, far surpassing the amount taken out when the Germans were in control. The coal is well-known for its good quality and fair price.

Tsinan—Tsinan, the capital of Shantung, is the western terminus of the Shantung Railway, and also one of the most important stations on the Tientsin-Pukow Railway.

The Tsinan Railway Hotel, furnished in modern European style, is found on the upper floor of the Tsinan Station under the control of the Shantung Railway Administration.

THROUGH TRAIN SERVICE

Train	leaves	arrives
No. 1	Tsingtao daily 10.00 p.m.	Tsinan 8.00 a.m.
No. 3	Tsingtao daily 8.00 a.m.	Tsinan 6.40 p.m.
No. 5	Tsingtao daily 12.00 p.m.	Tsinan 10.58 p.m.
No. 2	Tsinan daily 11.00 p.m.	Tsingtao 8.35 a.m.
No. 4	Tsinan daily 10.10 a.m.	Tsingtao 8.20 p.m.
No. 6	Tsinan daily 5.20 a.m.	Tsingtao 3.40 p.m.

Local Trains run between Tsingtao and Kaomi, Weihsen and between Fangtsu and Tsinan, and on the Poshan and Tzuchuan colliery branches.

Fares—Tsingtao-Tsinan—1st class, \$14.30; 2nd class, \$7.20.

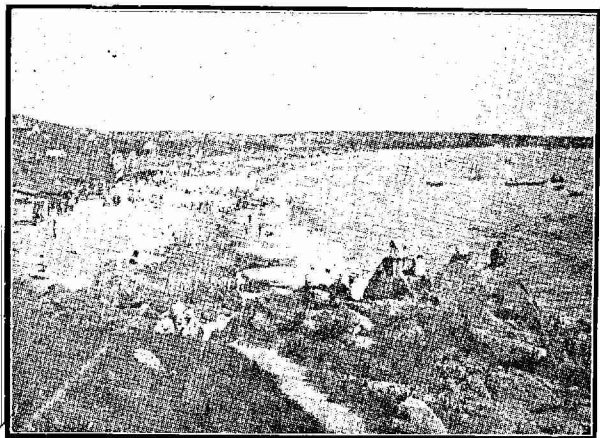
First-Class Sleeping Car—A first-class sleeping car is attached to night trains Nos. 3 and 4 running between Tsingtao and Tsinan. For a berth in the sleeping car in S.Y. 3.00 for the lower berth and S.Y. 2.00 for the upper berth is charged in addition to the ordinary first-class fare, irrespective of distance.

Dining Car—A dining car is attached to through trains Nos. 1, 2, 3 and 4 running between Tsingtao and Tsinan. Meals are served to order at any time.

Ticket Agencies—Messrs. Thos. Cook & Son and their branch offices in various parts of the world. The Japan Tourist Bureau in Tokyo and their Agents in Yokohama, Kobe, Nagasaki and Peking.

Connections at Tsingtao—By steamer with Japan, Manchuria and Shanghai.

Connections at Tsinan—By Tientsin-Pukow Line with Tientsin, 6.00 & 9.38 a.m. daily, and with Pukow, 7.44 a.m. & 10.21 p.m. daily.



BATHING BEACH, TSINGTAO

Description of Tsingtao

Tsingtao is considered the most healthful place in all the Far East. The scenery including both mountains and sea, is most beautiful. There are quite extensive forest gardens, bits of woodland here and there, and many delightful shady lanes affording most interesting walks through them.

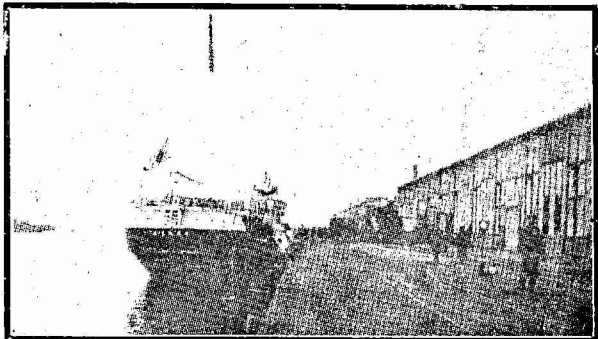
The roads are all broad, with very moderate gradients. They are of both macadamized and asphalt construction for vehicle traffic, while the sidewalks are either paved or concrete. These streets are practically all lined with beautiful shade trees.

The buildings are constructed principally in modern European style, with red tiles and white walls, contrasting pleasantly with the surrounding green mountains and blue sea.

The climate here is fine from Spring to Autumn, being neither too hot nor too cold. These climatic conditions make the place a favourite summer resort for Europeans and Americans from Shanghai, Tientsin, and other places.

The hotels are luxuriously furnished with up-to-date equipment and are under the efficient management of Mr. H.J. Hearne.

The hotel rates are \$6.00 and up, per day, on the American plan.



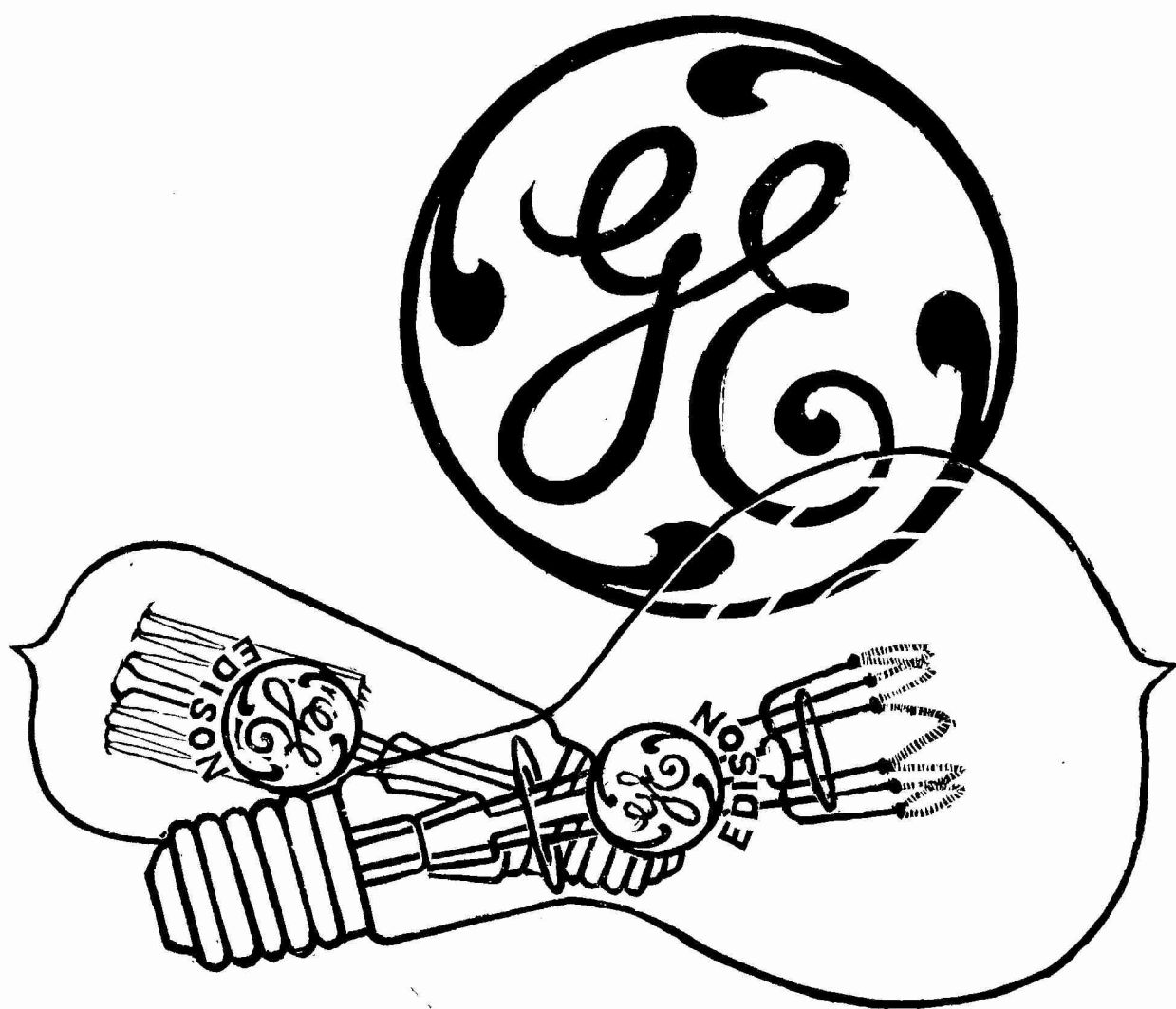
THE GREAT HARBOUR, TSINGTAO

For Further Information, please apply to

THE SHANTUNG RAILWAY ADMINISTRATION, TSINGTAO

Cable Address: "SANTETSU"

Codes: A.B.C. 5th Ed. and A.I.



INSIST THAT YOUR DEALER SUPPLIES YOU WITH

G. E. EDISON LAMPS

昌中器美
洋國公國
行美司奇
總商製異
理慎造電

**International
General Electric
Company, Inc.**
NEW YORK 120 Broadway SCHENECTADY New York

泡安時諸
方迪須君
能生購購
滿電奇電
意燈異泡

Address all correspondence to nearest representative

Japan: International General Electric Co., Inc.,
Yokohama; Shibaura Engineering Works,
Tokyo; Tokyo Electric Co., Ltd., Kawasaki.

Dutch East Indies: N. V. de Twentsche Handel
Mij., v/h de Rooij en Co., Soerabaia, Java.
Philippines: Pacific Commercial Co., Manila.

General office for the Far East, excluding Japan and China: International General Electric Co., Inc., Shanghai.

Sole Distributors for China: ANDERSEN, MEYER & Co., Ltd.